



TRIPLE BOTTOM LINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED
DECEMBER 31, 2007

JOHNSON COUNTY,
KANSAS



Johnson County, KS Sustainability Committee

Recognizing the impact that the organization and its people have on the local community and environment, Johnson County established a Sustainability Committee in 2004 to oversee the County's efforts in identifying and integrating sustainable practices into the processes of the organization. The Sustainability Committee is comprised of individuals from numerous County departments and agencies. The Committee established a vision for its work and a corresponding mission statement to provide direction for its efforts.

Vision Statement:

A sustainable community of choice that respects the needs of future generations.

Mission Statement:

Lead, advocate for, and implement sustainable practices for the stewardship of Johnson County's natural, human, and financial resources.

The County continues to dedicate resources to sustainable efforts, most recently by creating and staffing a Sustainability Program Director position. The Johnson County Board of Commissioners has formally adopted a resolution supporting the reduction of Green House Gases by 80% by the year 2050. The Board has also adopted a new county-wide Solid Waste Plan that emphasizes waste reduction and commits County government to achieving zero waste in governmental operations by 2020.

Johnson County engaged a third party to administer a comprehensive community survey in 2007. Residents responded to a wide range of issues in Johnson County. Regarding sustainability related questions, 52% of residents surveyed were satisfied or very satisfied with the County's efforts to protect the environment. Twenty-four percent of the responses indicated that protecting the environment should be the County service emphasized most over the next two years, tying it for third out of twenty on the list of services to be emphasized. Finally, respondents indicated "protecting water quality and the environment" as the highest priority for community leaders with 87% noting the issue as high or very high. The Sustainability Committee will use these survey results to guide future sustainability efforts.

Special acknowledgement: "Triple Bottom Line" image on cover courtesy of Robert J Mann, Shadowcliff Sustainability Series.

JOHNSON COUNTY, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended
December 31, 2007

Prepared by:
Office of Financial Management
Accounting and Financial Reporting Division

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Johnson County, Kansas For the year ended December 31, 2007

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INTRODUCTORY SECTION



Johnson County, Kansas

June 12, 2008

To the Honorable Chair and Commissioners of the Governing Board, and the Citizens of Johnson County:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Johnson County, Kansas (the County), for the fiscal year ended December 31, 2007. Kansas statutes require the County to publish a complete set of annual financial statements presented in conformity with generally accepted accounting principles (GAAP) of the United States, and audited by an independent firm of licensed certified public accountants. The CAFR is prepared in accordance with GAAP and with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), and it is audited in accordance with auditing standards generally accepted (GAAS) in the United States of America.

Accounting and Internal Controls

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit

The County's basic financial statements have been audited by Allen, Gibbs & Houlik, L.C., an independent firm of licensed certified public accountants that has issued an unqualified opinion that the financial statements of the County for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the County is part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

Management's Discussion and Analysis

Generally accepted accounting principles (GAAP) in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a document titled *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of independent auditors in the *Financial Section* of this CAFR.

PROFILE OF THE COUNTY

Johnson County was organized as a county on September 7, 1857. The County was named for the Reverend Thomas Johnson, founder of the Shawnee Methodist Mission and Indian Manual Labor School in 1830. The County encompasses about 477 square miles and includes twenty incorporated cities and eight townships within its boundaries. The City of Olathe, located in the center of the County, was named as the County seat in 1858. Three major westward migration routes traversed Johnson County: the Santa Fe Trail, the Oregon Trail, and the California Road.

The highest authority in the Johnson County Government is the electorate. Voters choose the Board of County Commissioners (the Board). In November 2000, the voters of Johnson County approved the Home Rule Charter, which was developed to restructure the Board of County Commissioners to provide opportunities for County leadership to enhance future growth for the County and its citizens.

Prior to January 2003, the Board consisted of five district commissioners and the chair was elected annually from its members on a rotating basis. On January 16, 2003, the Board was reorganized from five members to seven members with the addition of a Chairman and one additional District Commissioner. The Chairman of the Commission is elected on a countywide basis and serves as a full-time County official. The six District Commissioners serve as part-time County officials and are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Commissioners serve staggered, four-year terms with no term limitations.

In addition to the Board of County Commissioners, the District Attorney's and Sheriff's positions are elected by the voters of Johnson County: These positions are elected at large and serve four-year terms with no term limitations.

In 1984, Johnson County government was designated by the International City-County Management Association (ICMA) as a Council-Manager form of government. Under this form of government, the Board appoints a professional County Manager to administer a variety of County functions. The County Manager is responsible for policy implementation, budget development and implementation, and the appointment and supervision of certain department directors.

In addition to the County Manager, the Board also appoints members to serve in an advisory capacity for five agency governing boards: Airport Commission; Developmental Supports Board; Library Board; Mental Health Board; and the Parks and Recreation District Board. The governing boards for these five agencies are responsible for a number of items, including the appointment and direction of an Executive Director for

their respective agency and the submission by each agency of an annual budget request to the Board of County Commissioners.

The County provides a full range of services, including public safety and judiciary, health and human services, cultural and recreational activities, and public works and transportation.

THE FINANCIAL REPORTING ENTITY

This CAFR includes the financial activities of the primary government, which also encompasses several enterprise activities, and the financial activities of the County's component units. Component units are legally separate entities for which the primary government is financially accountable, and/or legally separate organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The Public Building Commission (PBC) is a component unit of Johnson County. The PBC Board is comprised of the same members as the Board of County Commissioners. For financial reporting purposes, the PBC's operations are presented as a blended component unit, *i.e.*, as though it was a fund of the County.

The Parks and Recreation District (the District) is also a component unit of Johnson County. The District is governed by a seven-member board appointed by the Board of County Commissioners. The County is financially accountable for the District, because the County's Board approves the District's operating budget and levies taxes to fund the District. For financial reporting purposes, the District is shown as a discretely presented component unit.

Other independent agencies exist for schools and municipal utilities. They do not meet the definition of a component unit and are not included in this report. The County cannot impose its will on these agencies, nor is there any financial benefit or burden to the County, nor any fiscal dependency on the County by these agencies.

Budgetary Information

The Board of County Commissioners plans for the orderly operation of the County by the adoption of a balanced annual budget of anticipated revenues and expenditures, as required by Kansas statutes. It is the responsibility of all elected officials, agency directors, governing boards, and employees to exercise good stewardship in the management of public funds and resources for which they are responsible according to applicable statutes, the Board policy and priorities, and approved budgets. The County maintains an encumbrance accounting system as another method of accomplishing budgetary control.

Since budgets must be formulated well in advance of their execution, the Board recognizes that it can become necessary to amend a fund's budget. Budgets will be amended only for an emergency or other unanticipated need. In such cases, budgets will only be amended in accordance with Kansas statutes.

The statutes establish the overall legal level of control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget-to-actual comparisons are provided in this report for each

individual governmental fund for which an appropriated annual budget has been adopted.

Local Economy

Johnson County's economy has experienced nearly unprecedented growth and diversification over the last several decades and has become one of the most dynamic metro-centers in the nation's heartland. Johnson County has evolved from a "bedroom" community into a thriving force in the metropolitan area and continues to be an attractive location for both families and businesses. According to the County Economic Research Institute Inc. (CERI), Johnson County will enable the State of Kansas and the Kansas City metropolitan area to successfully compete with the nation's other premier business locations, attracting investment from throughout the world.

Johnson County's population has grown dramatically in the recent decades and has become the state's largest county with an estimated population of just under 530,000 in 2007. Johnson County has also grown in its proportion of population of both the State of Kansas and the Kansas City region.

Between 1995 and 2005, the number of full and part-time jobs increased from 218,049 to 288,975 - a 33% increase. At the end of 2007, Johnson County's civilian labor force totaled 293,112 members and the unemployment rate was 3.7%, as compared to the national unemployment rate of 4.6%. The unemployment rate continues to trend downward due to a healthy job market and local business growth.

The number of businesses with payroll employment in the County grew from 13,622 establishments in 1995 to 17,130 in 2005 - an increase of 3,508 businesses or 23.4%. At this pace, Johnson County adds 350 new businesses annually or 29 per month. During this period, Johnson County accounted for 66.5% of the net increase in businesses in Kansas. Johnson County is home to the operations of half the Fortune 1,000 and one-third of the Fortune 500 companies. Some of the corporations with national and world headquarters in Johnson County include Applebee's International, Inc., Black & Veatch, Embarq, Garmin Ltd., Sprint Nextel, and YRC Worldwide.

In 2007, the assessed valuation for Johnson County increased 5.6% over the previous year. Market valuation increased by 4.7% over the same period. The value of new construction contracts in 2007, as recorded by F. W. Dodge, was over \$1.5 billion dollars for the twelfth consecutive year for Johnson County.

The local economy, as indicated by factors such as a decreasing unemployment rate, increased gross payroll, and stable interest rates, has enabled the County to look towards 2009 with a favorable financial outlook.

Long-term Financial Planning and Major Initiatives

The Board of County Commissioners has developed several strategic goals to align financial decisions for the County to the services being provided to the community. The Board is committed to be responsible stewards of the taxpayers' money, to provide the best possible mandatory and discretionary services, to build a "Community of Choice," and to advance a positive organizational work environment.

The fiscal year 2008 budget reflects a prudent and realistic approach, with an emphasis on maintaining existing services and capital assets. Overall, the adopted budget

maintains the quality of life for Johnson County residents, including a reasonable tax burden. The 2008 budget was developed in accordance with the Board of County Commissioner's strategic goals, which align financial decisions to the services provided to the community.

The Board's first goal is to be "responsible stewards of the taxpayers' money." The 2008 budget was adopted with a mill levy of 23.199. This represents a flat mill levy when compared to the final 2007 mill levy of 23.199. The Board is also committed to funding continuing operating expenditures with on-going revenue sources, to maintaining sufficient General Fund reserves for unanticipated and unusual circumstances, and to estimating revenues conservatively to avoid budget shortfalls.

Several employment positions were added that will directly support the goal of responsible stewardship by ensuring the efficient management of resources. These include the Wastewater Asset Manager position, which will maximize the current and future wastewater infrastructure. Another added position is the Criminal Justice Coordinator, which will provide a global perspective on incarceration issues and advocate on behalf of the Board for responsible stewardship of resources.

The second goal for the Board is to "provide the best possible mandatory and discretionary services." The 2008 budget was adopted with an emphasis on meeting the needs of the community, while planning for the future. The enhancement of mental health services, and the addition of a Family Focus Team, which will provide services to at-risk youth, are two areas where the needs of the community are being addressed.

The Board's third goal is to "build a 'Community of Choice' – a place where people want to live and work." The Board's commitment to this goal is demonstrated by allocating \$15.4 million to the County Assistance Road System (CARS), a joint partnership with local cities in both 2007 and 2008. The Johnson County Library and the Johnson County Parks and Recreation District also are secured in the 2008 budget as well. Funding was included to maintain the 2007 mill levy for these districts to include increases in expenditures caused by population growth. In addition, the 2008 budget includes the capital improvement project for the Leawood Pioneer Branch. This project will enhance the size of the facility, improving the quality of services offered to the community.

The fourth goal for the Board is to "advance a positive organizational work environment to empower employee innovation and productivity." Now that the County has completed a three-year commitment to ensure the proper placement of employees within the County's established pay ranges, the Board has committed to maintain the proper placement of employees within the County's pay ranges during 2008. The 2008 budget includes approximately \$1.8 million for this purpose. In addition, employees will be eligible to receive up to a 3% salary increase based on their performance during the year.

Relevant Financial Policies

The County's policy is to fund on-going expenditures with on-going revenues. For 2008, the adopted General Fund budget includes the use of reserves to balance the FY 2008 operating budget. This use of reserves to balance the budget is a temporary measure that is available due to the significant fund balance in the General Fund. Even with the use of reserves, the projected fund balance for the year ending December 31, 2008 is anticipated to be approximately \$61 million, or 23.5% of the General Fund revenues

(excluding intrafunds and the General Fund cost allocations), exceeding County policy of a reserve calculated to be from 10% to 15% of revenues.

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded its *Certificate of Achievement for Excellence in Financial Reporting* to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2006. This was the twentieth consecutive year the County applied for and received this prestigious award. In order to be awarded a *Certificate of Achievement*, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. A *Certificate of Achievement* is valid for a period of one year only. We believe that the 2007 Comprehensive Annual Financial Report continues to meet the *Certificate of Achievement* program requirements, and we will submit it to GFOA to determine its eligibility for certification.

In addition, the County also received the GFOA's *Distinguished Budget Award* for its annual Capital and Operating Budgets document for the fiscal year beginning January 1, 2008. The County has received this award eighteen times. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Our appreciation is extended to the Board of County Commissioners for their continued support in maintaining the highest standards for financial reporting. Our gratitude is also expressed to the various elected officials, agency and department heads, as well as employees responsible for contributing to the sound financial position of Johnson County. In particular, special thanks are extended to all Office of Financial Management staff for their contributions to this year's Comprehensive Annual Financial Report. Special gratitude is due to the Accounting staff of the Office of Financial Management: Senior Accountants Nicki Hart, Jim Longmire, and Chuck Nichols, and Accountants Jerry Verhulst, Nancy Torneden, and Gary Doggett; for their hours of commitment to excellence. We would also like to acknowledge the accounting firm of Allen, Gibbs & Houlik, L.C. for their review and comments in the preparation of this report.

Thomas G. Franzen
Director of Financial Management

Michael B. Press
County Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Johnson County
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



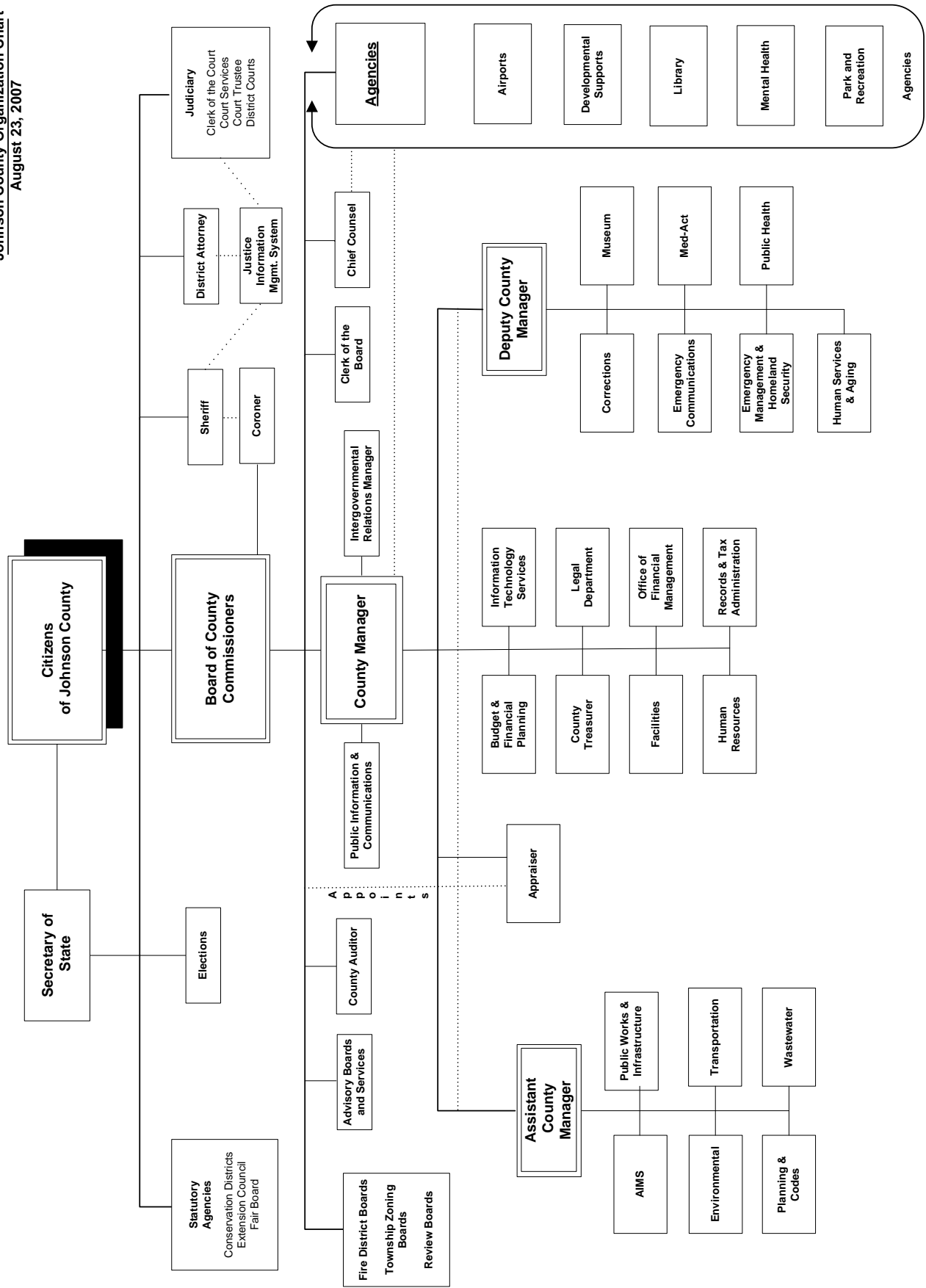
Charles S. Cox

President

Jeffrey R. Emer

Executive Director

Johnson County Organization Chart
August 23, 2007



Elected Officials

as of December 31, 2007

<u>Board of County Commissioners</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Position</u>
Annabeth Surbaugh	15 years	2010	Chairman
C. Edward Peterson	5 years	2010	1st District
John P. Segale	3 years	2008	2nd District
David A. Lindstrom	5 years	2008	3rd District
Ed Eilert	1 year	2010	4th District
Douglas E. Wood	9 years	2010	5th District
John M. Toplikar	5 years	2008	6th District
 <u>Elected Officials</u>			
Frank Denning	3 years	2008	Sheriff
Phill Kline	1 year	2008	District Attorney

Appointed Officials as of December 31, 2007

Appointed Officials	Position	Length of Service to Johnson County	Other Government Service
Michael B. Press	County Manager	31 years	
Hannes Zacharias	Deputy County Manager	6 years	23 years
Bernice Duletski	Assistant County Manager	3 years	27 years
Don Jarrett	Chief Counsel	22 years	
Ted McFarlane	Chief of Emergency Medical Service	7 years	26 years
Casey Joe Carl	Clerk of Board	10 years	
Paul Welcome	County Appraiser	16 years	11 years
Bill Miller	County Auditor	3 years	34 years
Donna Lauffer	County Librarian	6 months	6 years
Jay Heermann	Director of Automated Information Mapping System	14 years	
Scott Neufeld	Director of Budget and Financial Planning	13 years	7 years
Elizabeth Gillespie	Director of Corrections	1 year	33 years
Walt Way	Director of Emergency Communications	35 years	
Vacant	Director of Emergency Management		
Cindy Kemper	Director of Environmental	6 years	25 years
Joe Waters	Director of Facilities	13 years	5 years
Tom Franzen	Director of Financial Management	9 years	
Vacant	Director of Human Resources		
Deborah Collins	Director of Human Services and Aging	22 years	
Jack Clegg	Director of Information Technology Services	9 years	6 years
Mac Andrew	Director of Public works & Infrastructure/County Engineer	8 years	33 years
F. Lawrence McAulay, Jr.	Director of Legal Services	8 years	26 years
Mindi Love	Director of Museum	9 years	4 years
Michael Meadors	Director of Parks and Recreation	22 years	4 years
Dean Palos	Director of Planning	19 years	10 years
Leon Vinci	Director of Public Health	2 years	35 years
Alice Amrein	Director of Transportation	19 years	1 year
Brian Newby	Election Commissioner	3 years	7 years
Lee Metcalfe	Executive Director of Airports	19 years	4 years
Maury Thompson	Executive Director of Developmental Supports	16 years	2 years
David Wiebe	Executive Director of Mental Health	22 years	20 years
John O'Neil	Wastewater Administrator	19 years	8 years

FINANCIAL SECTION

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Financial Statements**

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Johnson County, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Johnson County, Kansas (County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Johnson County Park and Recreation District, the discretely presented component unit of the County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Johnson County Park and Recreation District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund

for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2008
Wichita, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Johnson County, Kansas (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$584,209,487 (net assets). Of this amount, \$192,551,600 (unrestricted net assets) may be used to meet the County's on-going obligations to citizens and creditors.
- The County's total net assets increased by \$46,789,551 during the fiscal year.
- As of December 31, 2007, the County's governmental funds reported combined ending fund balances of \$216,414,873. Approximately 79 percent of this total amount, \$171,225,027, is unreserved fund balance available for spending at the government's discretion.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$70,517,589 or 30 percent of total general fund expenditures of \$235,585,172.
- The County's investment in capital assets net of accumulated depreciation increased by \$55,431,702 or 10 percent.
- The County's total long-term debt increased by \$55,900,001 (22 percent) during the current fiscal year. This was due to the issuance of debt for various Unified Wastewater and Public Building Commission projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time,

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public works, public safety, health and human services, planning and economic development, and culture and recreation. The business-type activities of the County include an airport, wastewater treatment, transportation operations and the Public Building Commission.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Parks and Recreation District for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize their status as legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Parks and Recreation District is reported as a discretely presented component unit.

Included within the business-type activities of the government-wide financial statements are the operations of the Johnson County Public Building Commission (PBC). Although legally separate from the County, this component unit is blended with the primary government for the following reasons: the County is financially accountable for the PBC, the PBC has substantially the same governing board as the County, and the PBC provides services entirely to the County. Accordingly, the PBC is reported as an enterprise fund of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements (i.e., most of the County's basic services are reported in governmental funds). These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are generally used to account for services for which the County charges customers. These customers include both external customers and internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of its airport, transportation operations, wastewater services and the Public Building Commission. The proprietary fund financial statements provide separate information for the Unified Wastewater District and for the PBC, both of which are considered to be major funds of the County.
- **Internal Service funds** are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its risk management and self-insured health care. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the

County's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the sixth year that the County has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis (MD&A) – for State and Local Governments.

Johnson County's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 452,874,860	\$ 416,754,100	\$ 110,699,056	\$ 78,795,274	\$ 563,573,916	\$ 495,549,374
Capital assets	151,926,997	144,983,102	485,025,338	436,537,531	636,952,335	581,520,633
Total assets	604,801,857	561,737,202	595,724,394	515,332,805	1,200,526,251	1,077,070,007
Long-term liabilities outstanding	50,539,653	50,291,717	322,266,309	265,669,675	372,805,962	315,961,392
Other liabilities	203,426,623	189,027,932	40,084,179	34,660,747	243,510,802	223,688,679
Total liabilities	253,966,276	239,319,649	362,350,488	300,330,422	616,316,764	539,650,071
Net assets:						
Invested in capital assets, net						
of related debt	119,244,891	112,300,996	214,915,235	209,272,291	334,160,126	321,573,287
Restricted	57,497,761	51,868,744	-	-	57,497,761	51,868,744
Unrestricted	174,092,929	158,247,813	18,458,671	5,730,092	192,551,600	163,977,905
Total net assets	\$ 350,835,581	\$ 322,417,553	\$ 233,373,906	\$ 215,002,383	\$ 584,209,487	\$ 537,419,936

Analysis of Net Assets. As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the County, assets exceeded liabilities by \$584,209,487 at the close of the current fiscal year.

The largest portion of the County's net assets (57 percent) reflects its investment of \$334,160,126 in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net assets, \$57,497,761 (10 percent) represents resources that are subject to external restrictions on how they may be used. The

remaining balance of unrestricted net assets, \$192,551,600 (33 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the government as a whole, as well as for the separate governmental and business-type activities. The same situation held true for the prior fiscal year.

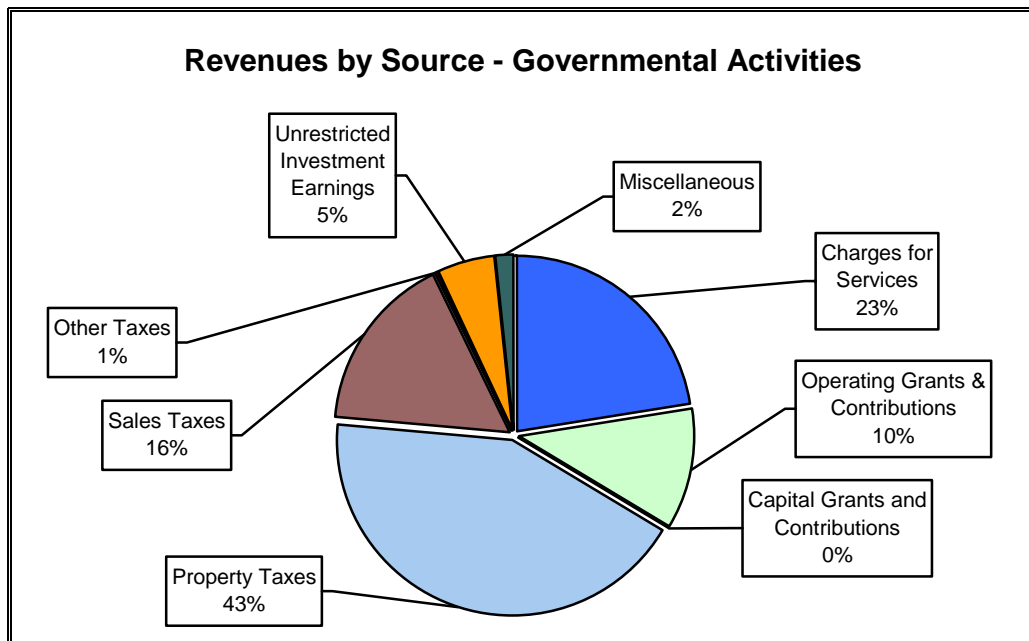
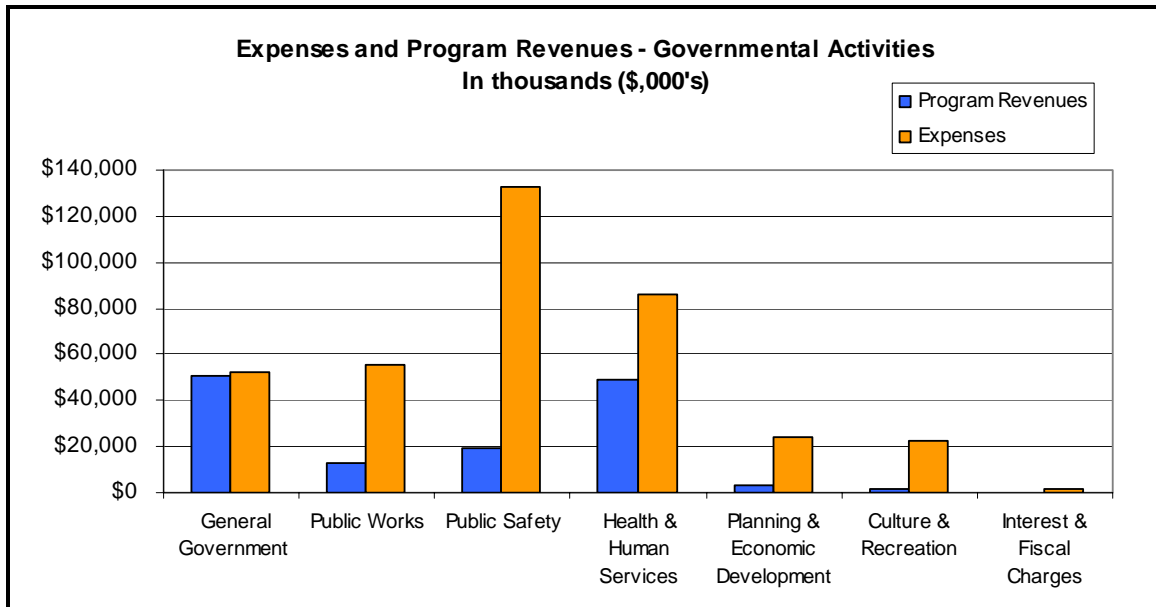
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 91,718,090	\$ 84,937,524	\$ 79,829,608	\$ 74,806,370	\$ 171,547,698	\$ 159,743,894
Operating grants and contributions	45,264,428	43,643,321	4,414,815	3,212,441	49,679,243	46,855,762
Capital grants and contributions	239,364	411,553	833,630	2,865,994	1,072,994	3,277,547
General revenues:						
Property taxes	173,957,923	161,876,560	8,237	59,615	173,966,160	161,936,175
Sales taxes	66,816,061	65,068,745	-	-	66,816,061	65,068,745
Other taxes	1,646,312	1,816,751	-	91	1,646,312	1,816,842
Unrestricted investment earnings	21,489,622	17,540,871	5,675,816	4,290,696	27,165,438	21,831,567
Miscellaneous	6,496,744	5,940,737	-	-	6,496,744	5,940,737
Total revenues	407,628,544	381,236,062	90,762,106	85,235,207	498,390,650	466,471,269
Expenses, net of indirect cost allocation:						
General government	52,492,768	47,241,867	-	-	52,492,768	47,241,867
Public works	55,558,251	49,746,748	-	-	55,558,251	49,746,748
Public safety	133,044,394	122,949,619	-	-	133,044,394	122,949,619
Health and human services	86,469,544	83,397,290	-	-	86,469,544	83,397,290
Planning and economic development	23,862,455	24,092,989	-	-	23,862,455	24,092,989
Culture and recreation	22,678,526	21,442,536	-	-	22,678,526	21,442,536
Interest on long term debt	1,407,149	1,515,485	-	-	1,407,149	1,515,485
Airport	-	-	4,829,599	4,726,459	4,829,599	4,726,459
Unified wastewater district	-	-	54,265,490	54,668,295	54,265,490	54,668,295
Transportation	-	-	8,734,434	8,347,875	8,734,434	8,347,875
Public Building Commission	-	-	8,258,489	6,980,764	8,258,489	6,980,764
Total expenses	375,513,087	350,386,534	76,088,012	74,723,393	451,601,099	425,109,927
Increase (decrease) in net assets before transfers	32,115,457	30,849,528	14,674,094	10,511,814	46,789,551	41,361,342
Transfers	(3,697,429)	(6,067,182)	3,697,429	6,067,182	-	-
Increase in net assets	28,418,028	24,782,346	18,371,523	16,578,996	46,789,551	41,361,342
Net assets - 1/1/07	322,417,553	297,635,207	215,002,383	198,423,387	537,419,936	496,058,594
Net assets - 12/31/07	\$ 350,835,581	\$ 322,417,553	\$ 233,373,906	\$ 215,002,383	\$ 584,209,487	\$ 537,419,936

Analysis of Changes in Net Assets.

Governmental Activities

During the current fiscal year, the County's net assets related to governmental activities increased by \$28,418,028. These increases are primarily the result of revenue recorded in property taxes, sales taxes, and investment earnings.

Expenses increased, particularly in the areas of general government, public safety, health and human services, and culture and recreation from 2006 due to increasing costs for personal services. The increase in expenses for public works is attributable to the recording of additional capital outlay for infrastructure in 2007. The increase in general government is also due to more costs for elections as well as additional costs to maintain facilities in 2007.

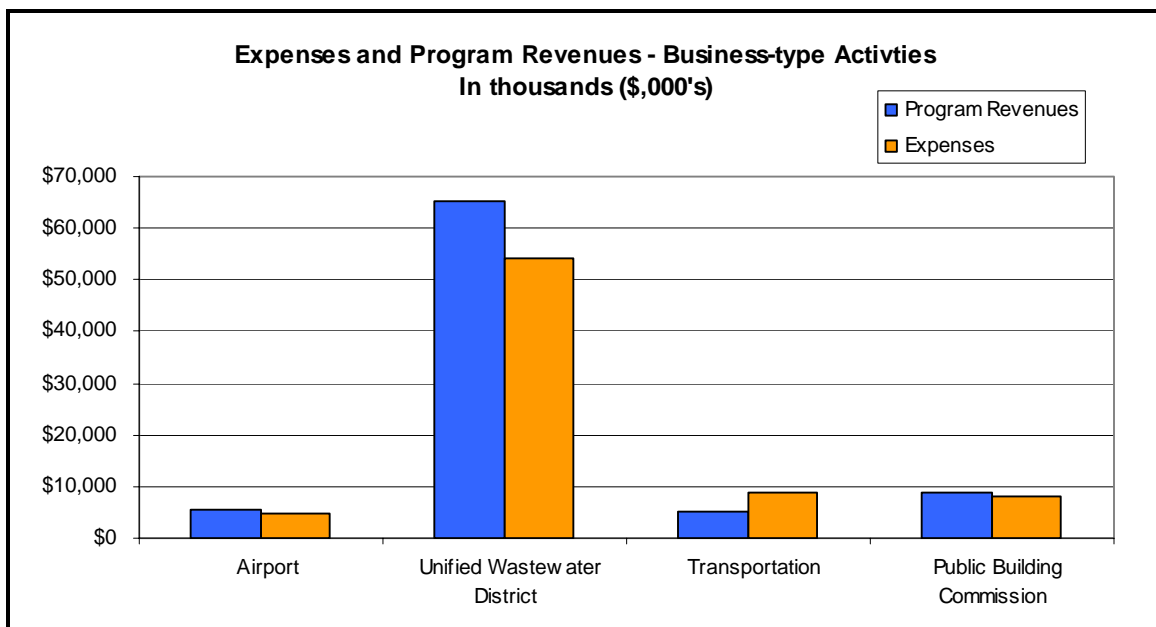


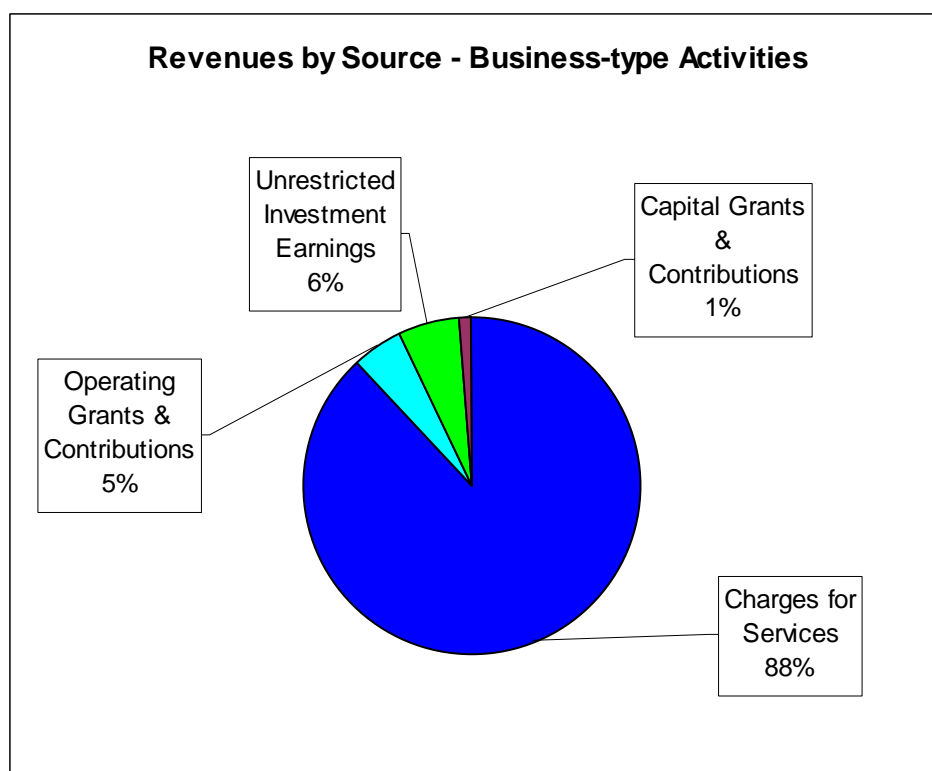
The chart above illustrates the County's governmental expenses and revenues by function, and revenues by source. As shown, public safety is the largest function in expense (35 percent), followed by health and human services (24 percent) and public works (15 percent) and general government (14 percent). General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities countywide. For governmental activities overall, without regard to program, property taxes is the largest single source of funds (43 percent), followed by charges for services (23 percent) and sales taxes (16 percent).

Business-type Activities

During the current fiscal year, the County's net assets related to business-type activities increased by \$18,371,523, up from an increase of \$16,578,996 in net assets for 2006. These increases are the result of revenue recorded in charges for services and investment earnings while exercising fiscal restraint of spending. Unified Wastewater District had a positive total net income of \$15,446,329 before transfers allowing for a continued build up of cash reserves to pay for future capital projects.

Expenses remained constant year-over-year in the Unified Wastewater District fund, though expenses increased in the Public Building Commission fund due to the construction of additional buildings and renovation of existing buildings.





The charts on the previous page and above illustrate the County's business-type activities' expenses and revenues by department, and its revenues by source. Revenues for business type activities that were less than 1% were not illustrated on the above chart. As expected, the primary source of revenue for business-type activities results from charges for services.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

As of the end of the current fiscal year, the County's governmental activities funds reported combined ending fund balances of \$216,414,873 an increase of \$19,980,087 from the prior year. Approximately \$171,225,027 of this total amount constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$70,517,589, while total fund balance was \$84,797,728. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 30 percent of total general fund expenditures of \$235,585,172 while total fund balance represents 36 percent of that same amount.

The fund balance in the County's general fund has increased by \$6,888,650 during the current fiscal year, mainly due to growth in local property and sales taxes.

The capital projects fund had an increase in fund balance of \$8,482,347 during the current fiscal year. This increase is attributed to transfers in from various funds to fund work on Public Works capital projects.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for the business-type activities at the end of the year amounted to \$18,458,671. The total increase in net assets during the current fiscal year was \$18,371,523. This increase is due to an increase in investment earnings for the Unified Wastewater District fund and an increase in charges for services across all funds.

The total change in net assets for the Unified Wastewater District was \$14,709,919 and \$1,935,917 for the Public Building Commission, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no significant variances between the final budget and the actual amounts that are expected to affect either future services or liquidity. Actual revenues exceeded the final budget by \$13,093,783. Due to the County's effective budget controls expenses were \$55,375,476 less than expected, which resulted in a positive variance of \$68,469,259 in the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2007 amounted to \$636,952,335 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

Johnson County's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 20,278,882	\$ 20,278,882	\$ 6,055,402	\$ 6,055,402	\$ 26,334,284	\$ 26,334,284
Buildings	52,164,480	51,044,279	139,114,052	143,602,646	191,278,532	194,646,925
Improvements other than buildings	925,961	805,340	99,316,077	100,207,145	100,242,038	101,012,485
Machinery and equipment	6,147,142	5,963,047	38,466,558	39,158,653	44,613,700	45,121,700
Infrastructure	49,729,294	52,533,136	162,096	171,678	49,891,390	52,704,814
Construction in progress	22,681,238	14,358,418	201,911,153	147,342,007	224,592,391	161,700,425
Total	\$ 151,926,997	\$ 144,983,102	\$ 485,025,338	\$ 436,537,531	\$ 636,952,335	\$ 581,520,633

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$305,324,993. This amount was comprised of \$191,443,654 of general obligation and \$18,160,000 of special obligation debt backed by the full faith and credit of the County. Special Assessment debt in the amount of \$716,339 is debt for which the County is liable in the event of default by the property owners subject to the assessment. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Johnson County's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 10,767,551	\$ 12,961,092	\$ 180,676,103	\$ 126,505,618	\$ 191,443,654	\$ 139,466,710
Special obligation bonds	18,160,000	19,685,000	-	-	18,160,000	19,685,000
Special assessment debt	26,346	36,013	689,993	767,269	716,339	803,282
Revenue bonds	-	-	95,005,000	89,470,000	95,005,000	89,470,000
Total	\$ 28,953,897	\$ 32,682,105	\$ 276,371,096	\$ 216,742,887	\$ 305,324,993	\$ 249,424,992

The County's total long-term debt increased by \$55,900,001 during the fiscal year. This was due to the issuance of debt for various Unified Wastewater and Public Building Commission project.

The County's general obligation debt rating and PBC's revenue bonds rating were both upgraded in 2007. The County maintains an AAA rating from Standard & Poor's and was upgraded from an Aa1 to an Aaa rating from Moody's for general obligation debt. The Public Building Commission, a blended component unit of the County, was upgraded from an AA+ to an AAA rating from Standard and Poor's and from an Aa2 to an Aaa rating from Moody's for revenue bonds.

Statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total assessed valuation. The current debt limitation for the County is \$687,485,111, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

Johnson County continues to be an attractive location for both families and businesses. According to the U.S. Census, the County's population increased from 432,723 in 1998 to 529,149 in 2007 (an increase of 96,426, or 22 percent). On average, the County's population grows by approximately 10,714 persons per year, or 893 per month. Unemployment rates are currently at 3.7% as compared to a national level of 4.6% and a state level of 4.2%.

The AAA rating referenced above continues to reflect the County's:

- Diverse and expanding local economy, participating in the larger Kansas City Metropolitan Statistical Area;
- Above-average wealth levels;
- Strong financial operations supported by conservative management and established fiscal policies; and
- Moderate debt levels that should remain manageable through on-going planning.

All of these factors were considered in preparing the County's budget for 2007. During the current year, the unreserved, undesignated fund balance in the general fund increased to \$54,080,473, an increase of \$5,789,333 over the 2006 balance of \$48,291,140. The 2007 budget anticipated the use of \$9,604,004 of this fund balance to avoid the need to raise additional taxes. The Unified Wastewater District increased various user charges by approximately three percent for 2007 and increased the capital finance charge and other fees by approximately five percent for 2008. These rate increases were necessary to fund ongoing capital expansion for the County as a result of population growth and demand for services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Office of Financial Management, 111 South Cherry Street, Suite 2400, Olathe, Kansas 66061. The County's Comprehensive Annual Financial Report and financial publications can be found on the internet at <http://ofm.jocogov.org/defaultacctng.htm>. Separately issued financial statements for the discretely presented component unit, the Parks and Recreation District, may be obtained at 7900 Renner Road, Lenexa, Kansas 66218.

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BASIC FINANCIAL STATEMENTS

Johnson County, Kansas
Statement of Net Assets
December 31, 2007

	PRIMARY GOVERNMENT			Component Unit
	Governmental Activities	Business Type Activities	Total	Park and Recreation
ASSETS				
Deposits including investments	\$ 253,958,878	\$ 32,890,159	\$ 286,849,037	\$ 7,016,573
Receivables (net of allowance for uncollectibles):	190,777,444	28,630,053	219,407,497	19,369,472
Internal balances	2,323,495	(2,323,495)	-	-
Inventories	1,382,070	101,271	1,483,341	37,079
Prepays	151,353	-	151,353	956,421
Restricted cash and investments	4,281,620	51,401,068	55,682,688	6,971,944
Capital assets (net of accumulated depreciation):				
Land	20,278,882	6,055,402	26,334,284	52,817,717
Buildings	52,164,480	139,114,052	191,278,532	15,104,119
Improvements other than buildings	925,961	99,316,077	100,242,038	15,806,155
Machinery and equipment	6,147,142	38,466,558	44,613,700	1,174,341
Infrastructure	49,729,294	162,096	49,891,390	-
Construction in progress	22,681,238	201,911,153	224,592,391	5,660,115
TOTAL ASSETS	604,801,857	595,724,394	1,200,526,251	124,913,936
LIABILITIES				
Accounts payable	18,520,066	9,675,422	28,195,488	282,833
Salaries and wages payable	8,563,661	625,508	9,189,169	-
Accrued liabilities	6,254,208	35,173	6,289,381	453,249
Interest payable	429,535	4,724,200	5,153,735	898,111
Unearned revenue	169,659,153	25,023,876	194,683,029	18,869,186
Restricted, project reserve deposits	-	-	-	53,523
Noncurrent liabilities				
Due within one year	8,208,842	23,606,335	31,815,177	4,229,609
Due in more than one year	42,330,811	298,659,974	340,990,785	54,320,992
TOTAL LIABILITIES	253,966,276	362,350,488	616,316,764	79,107,503
NET ASSETS				
Invested in capital assets, net of related debt	119,244,891	214,915,235	334,160,126	34,690,585
Restricted for:				
Debt service	4,822,736	-	4,822,736	132,354
Special revenue funds	40,237,457	-	40,237,457	1,301,660
Capital projects	-	-	-	5,738,548
Public safety	8,930,873	-	8,930,873	-
Economic development	3,506,695	-	3,506,695	-
Unrestricted	174,092,929	18,458,671	192,551,600	3,943,286
TOTAL NET ASSETS	\$ 350,835,581	\$ 233,373,906	\$ 584,209,487	\$ 45,806,433

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Activities
For the Year Ended December 31, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						Component Unit	
	Primary Government							
	Program Revenues		Business-Type Activities		Total			
	Expenses	Indirect Expenses Allocation	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Park and Recreation
Primary Government:								
Governmental Activities:								
General government	\$ 71,261,190	\$ (18,768,423)	\$ 50,432,484	\$ 345,243	\$ -	\$ (1,715,040)	\$ -	\$ (1,715,040)
Public works	54,349,008	1,209,243	322,690	12,736,535	-	(42,499,026)	-	(42,499,026)
Public safety	123,123,775	9,920,619	13,334,433	5,782,617	239,364	(113,687,980)	-	(113,687,980)
Health and human services	81,034,438	5,435,106	24,763,252	24,561,171	-	(37,145,121)	-	(37,145,121)
Planning and economic development	23,527,172	335,283	1,411,679	1,439,572	-	(21,011,204)	-	(21,011,204)
Culture and recreation	22,555,476	123,050	1,453,552	399,290	-	(20,825,684)	-	(20,825,684)
Interest on long term debt	1,407,149	-	-	-	-	(1,407,149)	-	(1,407,149)
Total governmental activities	377,258,208	(1,745,122)	91,718,090	45,264,428	239,364	(238,291,204)	-	(238,291,204)
Business Type activities:								
Airport	4,700,347	129,252	4,557,409	898,357	-	-	626,167	626,167
Unified Wastewater District	52,961,673	1,303,817	65,304,524	-	-	-	11,039,034	11,039,034
Transportation	8,422,381	312,053	989,990	3,516,458	833,630	-	(3,394,356)	(3,394,356)
Public Building Commission	8,258,489	-	8,977,685	-	-	-	719,196	719,196
Total business type activities	74,342,890	1,745,122	79,829,608	4,414,815	833,630	-	8,990,041	8,990,041
Total Primary Government	\$ 451,601,098	\$ -	\$ 171,547,698	\$ 49,679,243	\$ 1,072,994	(238,291,204)	8,990,041	(229,301,163)
Component unit:								
Park and Recreation	\$ 30,992,932	\$ -	\$ 17,716,103	\$ -	\$ 400,000	-	-	(12,876,829)
General revenues:								
Property taxes						173,957,923	8,237	173,966,160
Sales taxes						66,816,061	-	66,816,061
Other taxes						1,646,312	-	1,646,312
Unrestricted investment earnings						21,489,622	5,675,816	27,165,438
Miscellaneous						6,496,743	-	6,496,743
Transfers						(3,697,429)	3,697,429	-
Total general revenue and transfers						266,709,232	9,381,482	276,090,714
Change in net assets						28,418,028	18,371,523	46,789,551
Net assets - beginning						322,417,553	215,002,383	537,419,936
Net assets - ending						\$ 350,835,581	\$ 233,373,906	\$ 584,209,487
								\$ 45,806,433

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Balance Sheet
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Deposits including investments	\$ 77,681,094	\$ 93,400,693	\$ 42,140,804	\$ 213,222,591
Receivables (net of allowance for uncollectibles):	124,833,487	-	65,943,957	190,777,444
Due from other funds	2,323,495	-	-	2,323,495
Inventories	649,875	-	732,195	1,382,070
Prepays	35,552	-	58,928	94,480
Restricted cash and investments	-	-	4,281,620	4,281,620
Total assets	<u><u>\$ 205,523,503</u></u>	<u><u>\$ 93,400,693</u></u>	<u><u>\$ 113,157,504</u></u>	<u><u>\$ 412,081,700</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,961,317	\$ 6,841,469	\$ 2,020,819	\$ 14,823,605
Salaries and wages payable	5,906,085	2,272	2,636,720	8,545,077
Due to others	2,627,376	-	1,410	2,628,786
Due to other funds	-	-	-	-
Deferred revenue	106,230,997	-	63,438,362	169,669,359
Total liabilities	<u><u>120,725,775</u></u>	<u><u>6,843,741</u></u>	<u><u>68,097,311</u></u>	<u><u>195,666,827</u></u>
Fund Balances:				
Reserved for:				
Encumbrances	1,807,019	24,590,113	1,984,698	28,381,830
Prepaid items	35,552	-	58,928	94,480
Public safety	8,930,873	-	-	8,930,873
Economic development	3,506,695	-	-	3,506,695
Debt service	-	-	4,281,620	4,281,620
Unreserved, reported in:				
Designated for working capital	13,844,930	-	-	13,844,930
Designated for restricted agencies	2,592,186	-	-	2,592,186
Debt service fund	-	-	541,116	541,116
Capital projects fund	-	61,966,839	-	61,966,839
General fund	54,080,473	-	-	54,080,473
Special revenue funds	-	-	38,193,831	38,193,831
Total fund balances	<u><u>84,797,728</u></u>	<u><u>86,556,952</u></u>	<u><u>45,060,193</u></u>	<u><u>216,414,873</u></u>
Total liabilities and fund balances	<u><u>\$ 205,523,503</u></u>	<u><u>\$ 93,400,693</u></u>	<u><u>\$ 113,157,504</u></u>	<u><u>\$ 412,081,700</u></u>

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets**
December 31, 2007

Total fund balance - all governmental funds	\$	216,414,873
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, including infrastructure, used in governmental activities are not financial resources and therefore are not reported in the funds.		151,926,998
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Less Internal Services Fund Capital Assets		(916)
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Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:

Interest Payable	\$	(429,535)	
Deferred Revenue-Special Assessments		10,206	
Bonds:			
General obligation, net of unamortized premium of \$5,605		(10,773,156)	
Special obligation		(18,160,000)	
Special assessment		(26,346)	
Compensated absences		(15,855,753)	
Other post employment benefits		(5,675,022)	
Capital lease obligations		(49,377)	
Total			(50,958,983)

Less Internal Services Fund Long Term Debt		46,039
--	--	--------

Internal service funds are used by management to charge costs of central stores, risk management and self-insured health care to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		33,407,570
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Net assets of governmental activities	\$	350,835,581
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The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 164,344,176	\$ -	\$ 78,072,958	\$ 242,417,134
Intergovernmental	19,907,110	4,375	25,592,307	45,503,792
Charges for services	63,569,084	-	24,135,051	87,704,135
Investment earnings	15,280,502	-	4,160,929	19,441,431
Licenses and permits	2,450,132	-	881,819	3,331,951
Other	5,151,813	12,252	1,332,679	6,496,744
Total revenues	<u>270,702,817</u>	<u>16,627</u>	<u>134,175,743</u>	<u>404,895,187</u>
EXPENDITURES				
Current:				
General government	64,184,523	-	552,720	64,737,243
Public works	-	-	9,986,468	9,986,468
Public safety	116,074,535	-	2,091,220	118,165,755
Health and human services	23,417,967	-	56,920,554	80,338,521
Planning and economic development	23,469,834	-	15,565	23,485,399
Culture and recreation	1,156,955	-	20,443,400	21,600,355
Debt service:				
Principal retirement	-	-	3,728,208	3,728,208
Interest and fiscal charges	1,574	-	1,358,416	1,359,990
Capital outlay	7,279,784	47,595,039	2,977,484	57,852,307
Total expenditures	<u>235,585,172</u>	<u>47,595,039</u>	<u>98,074,035</u>	<u>381,254,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,117,645</u>	<u>(47,578,412)</u>	<u>36,101,708</u>	<u>23,640,941</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,212,929	56,588,828	4,355,622	62,157,379
Transfers out	(29,441,924)	(528,069)	(35,884,815)	(65,854,808)
Proceeds from capital lease	-	-	36,575	36,575
General obligation	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources and uses	<u>(28,228,995)</u>	<u>56,060,759</u>	<u>(31,492,618)</u>	<u>(3,660,854)</u>
Net change in fund balances	<u>6,888,650</u>	<u>8,482,347</u>	<u>4,609,090</u>	<u>19,980,087</u>
Fund balances - beginning	<u>77,909,078</u>	<u>78,074,605</u>	<u>40,451,103</u>	<u>196,434,786</u>
Fund balances - ending	<u>\$ 84,797,728</u>	<u>\$ 86,556,952</u>	<u>\$ 45,060,193</u>	<u>\$ 216,414,873</u>

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - all governmental funds \$ 19,980,087

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets exceeded depreciation in the current period.

Capital Outlay	\$ 16,837,980	
Depreciation Expense	<u>(6,817,648)</u>	
Net change		10,020,332

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Retirement	3,728,208	
Proceeds From Capital Leases	<u>(36,575)</u>	
Net change		3,691,633

Net gain (loss) on disposal of capital assets, infrastructure and other reconciling items (2,983,642)

The net change in accrued interest on general obligation bonds is not a current source or use of financial resources and therefore not reported in the governmental funds. (47,159)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 10,206

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (1,056,885)

OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (2,895,261)

Internal service funds are used by management to charge costs of risk management and self-insured health care to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,698,717

Changes in net assets of governmental activities \$ 28,418,028

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 160,694,312	\$ 162,277,834	\$ 164,344,176	\$ 2,066,342
Intergovernmental	22,993,253	24,576,083	19,907,110	(4,668,973)
Charges for services	57,439,444	57,896,495	63,569,085	5,672,590
Investment earnings	7,385,161	7,385,161	13,175,056	5,789,895
Licenses and permits	2,751,979	3,056,979	2,450,132	(606,847)
Other	4,665,100	368,922	5,151,813	4,782,891
Total revenues	255,929,249	255,561,474	268,597,372	13,035,898
EXPENDITURES				
Current:				
General government	76,116,952	76,366,249	71,022,073	5,344,176
Public safety	113,346,641	116,552,853	110,137,057	6,415,796
Health and welfare	24,666,119	25,006,549	23,328,408	1,678,141
Planning and economic development	23,329,650	25,228,195	23,467,685	1,760,510
Culture and recreation	1,302,863	1,314,384	1,155,955	158,429
Capital outlay	13,280,598	13,319,020	7,005,418	6,313,602
Reserves	53,994,073	36,891,366	-	36,891,366
Total expenditures	306,036,896	294,678,616	236,116,596	58,562,020
Excess (deficiency) of revenues over (under) expenditures	(50,107,647)	(39,117,142)	32,480,776	71,597,918
OTHER FINANCING SOURCES (USES)				
Transfers in	1,155,044	1,155,044	1,212,929	57,885
Transfers out	(15,264,875)	(26,255,380)	(29,441,924)	(3,186,544)
Total other financing sources and uses	(14,109,831)	(25,100,336)	(28,228,995)	(3,128,659)
Net change in fund balances	(64,217,478)	(64,217,478)	4,251,781	\$ 68,469,259
Fund balances - beginning	64,217,478	64,217,478	75,520,840	
Fund balances - ending	\$ -	\$ -	\$ 79,772,621	

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major		Non-Major Total	Total	
	Unified Wastewater District	Public Building Commission			
ASSETS					
Current assets:					
Deposits including investments	\$ 18,310,327	\$ 6,376,183	\$ 8,203,649	\$ 32,890,159	\$ 40,736,287
Receivables					
(net of allowance for uncollectibles):	27,143,366	426,568	1,060,118	28,630,052	-
Due from other funds	-	-	-	-	-
Inventories	101,271	-	-	101,271	-
Prepaid items	-	-	-	-	56,873
Total current assets	45,554,964	6,802,751	9,263,767	61,621,482	40,793,160
Noncurrent assets:					
Restricted cash and investments	24,971,268	26,429,800	-	51,401,068	-
Capital assets:					
Land	655,258	804,966	4,595,178	6,055,402	-
Buildings	54,740,731	133,012,835	14,575,148	202,328,714	-
Improvements other than buildings	138,819,394	135,097	25,731,598	164,686,089	-
Machinery and equipment	246,856,896	-	11,228,411	258,085,307	18,317
Construction in progress	174,767,999	26,771,044	372,110	201,911,153	-
Infrastructure	-	-	191,641	191,641	-
Less accumulated depreciation	(296,815,993)	(25,161,598)	(26,255,377)	(348,232,968)	(17,401)
Total capital assets	319,024,285	135,562,344	30,438,709	485,025,338	916
Total noncurrent assets	343,995,553	161,992,144	30,438,709	536,426,406	916
TOTAL ASSETS	389,550,517	168,794,895	39,702,476	598,047,888	40,794,076

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities-
	Major			Total	Internal Service Funds
	Unified Wastewater District	Public Building Commission	Non-Major		
			Total		
LIABILITIES					
Current liabilities					
Accounts payable	5,818,867	3,106,709	749,846	9,675,422	3,696,461
Salaries and wages payable	548,486	1,566	75,456	625,508	18,584
Interest payable	2,145,872	2,519,065	59,263	4,724,200	-
Loans payable	4,692,271	-	43,515	4,735,786	-
Due to other funds	-	1,900,361	423,134	2,323,495	-
Due to others	-	-	35,173	35,173	-
Deferred revenue	24,251,115	-	772,761	25,023,876	-
Compensated absences	105,090	-	16,838	121,928	3,793
Insurance claims payable	-	-	-	-	3,625,422
Bonds, capital leases, and other payables	11,880,644	6,200,000	667,977	18,748,621	-
Total current liabilities	49,442,345	13,727,701	2,843,963	66,014,009	7,344,260
Noncurrent liabilities:					
Compensated absences	1,170,592	-	187,567	1,358,159	42,246
Loans payable	39,112,084	-	152,411	39,264,495	-
Bonds, capital leases, and other payables	166,382,462	88,207,267	3,447,591	258,037,320	-
Total noncurrent liabilities	206,665,138	88,207,267	3,787,569	298,659,974	42,246
TOTAL LIABILITIES	256,107,483	101,934,968	6,631,532	364,673,983	7,386,506
NET ASSETS					
Invested in capital assets, net of related debt	121,928,093	66,859,927	26,127,215	214,915,235	916
Restricted	-	-	-	-	-
Unrestricted	11,514,942	-	6,943,729	18,458,671	33,406,654
TOTAL NET ASSETS	\$ 133,443,035	\$ 66,859,927	\$ 33,070,944	\$ 233,373,906	\$ 33,407,570

Johnson County, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major		Non-Major		
	Unified Wastewater District	Public Building Commission	Total	Total	
Operating revenues:					
Charges for services	\$ 63,188,479	\$ 8,977,685	\$ 2,016,885	\$ 74,183,049	\$ 25,788,501
Insurance premiums	-	-	-	-	3,954,533
Other	2,116,045	-	3,530,514	5,646,559	18,793
Total operating revenues	65,304,524	8,977,685	5,547,399	79,829,608	29,761,827
Operating expenses:					
Public works	35,304,135	-	-	35,304,135	-
Transportation	-	-	10,760,897	10,760,897	-
Central stores	-	-	-	-	-
Risk management	-	-	-	-	3,255,917
Self-insured health care	-	-	-	-	26,854,882
Depreciation	11,387,425	3,316,588	2,585,883	17,289,896	3,663
Total operating expenses	46,691,560	3,316,588	13,346,780	63,354,928	30,114,462
Operating income (loss)	18,612,964	5,661,097	(7,799,381)	16,474,680	(352,635)
Nonoperating revenues (expenses):					
Taxes	5,627	-	2,610	8,237	3,161
Investment earnings	4,401,668	1,232,046	42,102	5,675,816	2,048,191
Intergovernmental	-	-	5,248,445	5,248,445	-
Interest expense	(6,968,425)	(4,928,251)	(217,246)	(12,113,922)	-
Other	(605,505)	(13,650)	(7)	(619,162)	-
Total nonoperating revenues (expenses)	(3,166,635)	(3,709,855)	5,075,904	(1,800,586)	2,051,352
Income (loss) before transfers	15,446,329	1,951,242	(2,723,477)	14,674,094	1,698,717
Transfers in	-	239,254	4,449,164	4,688,418	-
Transfers out	(736,410)	(254,579)	-	(990,989)	-
Change in net assets	14,709,919	1,935,917	1,725,687	18,371,523	1,698,717
Total net assets - beginning	118,733,116	64,924,010	31,345,257	215,002,383	28,929,092
Prior period adjustments	-	-	-	-	2,779,761
Total net assets - beginning as restated	118,733,116	64,924,010	31,345,257	215,002,383	31,708,853
Total net assets - ending	\$ 133,443,035	\$ 66,859,927	\$ 33,070,944	\$ 233,373,906	\$ 33,407,570

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds				
	Major			Total	Total					
	Unified	Public								
	Wastewater District	Building Commission	Non-Major							
	\$	63,428,745	\$	11,812,244	\$	2,531,011	\$	77,772,000	\$	25,788,501
		(21,359,679)		-		(9,393,156)		(30,752,835)		(29,125,511)
		(12,536,548)		(249)		(1,957,251)		(14,494,048)		(409,229)
		2,116,045		-		3,481,364		5,597,409		3,973,326
		31,648,563		11,811,995		(5,338,032)		38,122,526		227,087
		Net cash provided by (used for) operating activities								
		CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
		5,627		-		2,610		8,237		3,161
		-		-		5,248,445		5,248,445		-
		-		239,254		4,449,164		4,688,418		-
		(736,410)		(254,579)		-		(990,989)		-
		(730,783)		(15,325)		9,700,219		8,954,111		3,161
		Net cash provided by noncapital financing activities								
		CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
		(49,576,431)		(11,333,234)		(2,384,036)		(63,293,701)		-
		-		-		-		-		-
		66,810,000		15,350,000		-		82,160,000		-
		(16,611,471)		(9,815,000)		(712,865)		(27,139,336)		-
		(8,002,860)		(4,026,305)		(213,294)		(12,242,459)		-
		(7,380,762)		(9,824,539)		(3,310,195)		(20,515,496)		-
		Net cash provided by (used for) capital and related financing activities								
		CASH FLOWS FROM INVESTING ACTIVITIES:								
		4,401,668		1,232,046		42,102		5,675,816		2,048,191
		4,401,668		1,232,046		42,102		5,675,816		2,048,191
		27,938,686		3,204,177		1,094,094		32,236,957		2,278,439
		Net increase (decrease) in cash and cash equivalents								
		15,342,909		29,601,806		7,109,555		52,054,270		38,457,848
		43,281,595	\$	32,805,983	\$	8,203,649	\$	84,291,227	\$	40,736,287
		Cash and cash equivalents at end of year								
		(Continued)								

(Continued)

Johnson County, Kansas
Statement of Cash Flows
Proprietary Funds (Continued)
For the year ended December 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major					
	Unified Wastewater District	Public Building Commission	Non-Major		Total	
			Total			
Reconciliation of operating income to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 18,612,964	\$ 5,661,097	\$ (7,799,381)	\$ 16,474,680	\$ (352,635)	
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	11,387,425	3,316,588	2,585,883	17,289,896	3,663	
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(1,238,899)	(170,938)	74,854	(1,334,983)	-	
(Increase) in inventory	(7,316)	-	-	(7,316)	-	
Decrease in prepaid expenses	-	-	-	-	(621)	
Increase (Decrease) in accounts payable	1,181,736	3,005,497	(646,189)	3,541,044	624,529	
Increase (decrease) in salaries and wages payable	118,646	(249)	22,205	140,602	5,104	
Increase (decrease) in deferred revenue	1,479,165	-	390,122	1,869,287	-	
Increase in compensated absences payable	114,842	-	34,474	149,316	(5,332)	
Increase in insurance claims payable	-	-	-	-	(47,621)	
Total adjustments	13,035,599	6,150,898	2,461,349	21,647,846	579,722	
Net cash provided by (used for) operating activities	\$ 31,648,563	\$ 11,811,995	\$ (5,338,032)	\$ 38,122,526	\$ 227,087	
Deposits including investments	\$ 18,310,327	\$ 6,376,183	\$ 8,203,649	\$ 32,890,159	\$ 40,736,287	
Restricted cash and investments	24,971,268	26,429,800	-	51,401,068	-	
Cash and cash equivalents at the end of year	\$ 43,281,595	\$ 32,805,983	\$ 8,203,649	\$ 84,291,227	\$ 40,736,287	

The accompanying notes are an integral part of these financial statements

Johnson County, Kansas
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 531,227,130
Receivables (net of allowance for uncollectibles):	
Taxes Receivable	<u>400,809,751</u>
Total assets	<u><u>932,036,881</u></u>
LIABILITIES	
Accounts payable	494,259
Agency obligations	<u>931,542,622</u>
Total liabilities	<u><u>932,036,881</u></u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

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Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The accompanying financial statements of Johnson County, Kansas (the County) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard setting body for government accounting and financial reporting principles. The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The following information summarizes the significant accounting policies of the County.

A. The Reporting Entity

In November 2000, the voters of Johnson County approved the Home Rule Charter, which was developed to restructure the Board of County Commissioners to provide opportunities for County leadership to enhance future growth for the County and its citizens. Prior to January 2003, the Board consisted of five district commissioners and the chair was elected annually from its members on a rotating basis.

On January 16, 2003, the Board was reorganized from five members to seven members with the addition of a Chairman and one additional District Commissioner. The Chairman of the Commission is elected on a countywide basis and serves as a full-time County official. The six District Commissioners serve as part-time County officials and are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Commissioners serve four-year terms with no term limitations.

As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. The County has adopted Statement No. 39, *Determining Whether Certain Organizations are Component Units -- an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The primary government and each blended and discretely presented component unit all have a December 31st year end.

Blended Component Unit

Johnson County Public Building Commission (PBC): The Board of County Commissioners serves as the governing body of the PBC. Although a separate legal entity, the PBC is accounted for as an enterprise fund within the County's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the County and other governmental agencies. The County performs administrative and accounting services for the PBC.

Discretely Presented Component Unit

Johnson County Park and Recreation District (the District): The District is governed by a seven-member board appointed by the Board of County Commissioners. However, the County is financially accountable for the District because the County's commission approves the District's budget and levies taxes. The District is legally separate from the County. Special legislation was created to provide a mechanism for the provision of park and recreational services to Johnson County through the formation of a Park and Recreation District. Such legislation required that a valid petition be submitted to a vote by the Board of County Commissioners. Once the petition was approved by the Commissioners the District was then mandated to provide park and recreational services as outlined in the Kansas Statute 19-2863. Separately issued financial statements are prepared for the District. The District has governmental and enterprise funds.

The District's financial statements include the Parks and Recreation Foundation of Johnson County (the Foundation) as a blended component unit. Although a separate legal entity, the Foundation is accounted for as an enterprise fund within the District's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the District or other park agencies.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Public Building Commission
Office of Financial Management
111 South Cherry Street
Olathe, Kansas 66061

Park and Recreation District
7900 Renner Road
Lenexa, Kansas 66218

B. Government-wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct and indirect expenses that are clearly identifiable of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions, including special assessments, that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds, which are fiduciary funds, do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, interest, special assessments and charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year and consequently are not subject to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

A double step-down allocation procedure has been used to distribute costs among central services and to other County departments that receive benefits. The double step-down procedure initially requires a sequential ordering of agencies. Department indirect cost allocations are then made in order selected to all benefiting programs, including cross allocations to other central services. To insure that the cross-benefit of services among central services is fully recognized, a second step down allocation for each central service is made.

The accounts of the County are organized and operated on the basis of individual funds, each of which is defined as a separate accounting entity. The operations of each fund are recorded in a set of self-balancing accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. In accordance with state statutes and County resolutions, several different types of funds are used to record the County's financial transactions. For financial reporting, they are grouped and presented as follows:

The County reports the following major governmental funds:

The **General** fund is the principal operating fund of the County and accounts for all financial transactions of the County, except those required to be accounted for in a separate fund.

The **Capital Projects** fund accounts for financial resources to be used for the acquisition or construction of major capital improvements, other than those financed by proprietary funds.

The County reports the following major proprietary funds:

The **Unified Wastewater District** fund provides sanitary sewer service for residential and business properties inside its service area.

The **Public Building Commission** fund accounts for all activities of the Public Building Commission.

Additionally, the County reports the following fund types:

Governmental Fund Types:

The Debt Service fund accumulates resources to pay maturing principal and interest on general long-term debt, including certain special assessments, which are general obligations of the County, excluding the debt which is accounted for in proprietary funds.

Special Revenue funds provide full budgetary accountability for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes.

Proprietary Fund Types:

Enterprise funds account for operations of which it is the stated intent that the cost of providing a service to the public on a continuing basis be financed or recovered primarily through user charges. An example of an enterprise fund within the County is the transportation fund, which operates the bus system available to the public.

Internal Service funds provide the financing of goods or services provided to other departments of the County or to other governments on a cost reimbursement basis. An example of an internal service fund within the County is the self insured health care fund, which is funded through employer and employee contributions and provides health care benefits to County employees.

Fiduciary Fund Types:

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held by the County as an agent for individuals, private organizations or other governmental units. Examples of agency funds within the County are the fire district fund and the medical reimbursement fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected to not follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the enterprise funds and various government funds for services provided. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's enterprise and internal service funds are charges for customer services including: rent, wastewater charges, and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

Cash from all funds except Public Building Commission, and the Park and Recreation District Component Unit, is pooled for the purpose of increasing income through investment activities. Investments, which have a remaining maturity at time of purchase of one year or less, are stated at fair value, which approximates amortized cost. All other investments are stated at fair value as determined by quoted market prices. Investments principally consist of United States Treasury and Agency securities, certificates of deposit, and cash held in money market funds. Investment income is allocated to the designated funds on the basis of the ending monthly cash balance which is contrary to Kansas State Statutes. That investment income which is not allocated is credited to the General Fund. Interest revenue is susceptible to accrual and has been reported within these financial statements. Cash proceeds from the sale of bonds and general obligation notes are maintained separately and invested primarily in an investment agreement and United States Treasury and Agency securities.

All banks and savings associations are required to pledge to the County, the PBC and the District an aggregate market value investment in U.S. Treasury obligations, other U.S. Agency obligations and Kansas municipal bonds to provide a minimum of 100% collateralization for all deposits.

Cash and cash equivalents, for purposes of the statement of cash flows, refer to cash on hand, cash in demand accounts at financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and so close to maturity that they present insignificant risk of change in value due to changes in interest rates. Because proprietary funds participate in the County's investment pool, their access is equivalent to cash and cash equivalents.

The District internally pools all investments with the exception of Guaranteed Investment Contracts for bond reserve funds and capital projects funds held in escrow by a trustee. Pooled investments for the District are carried at cost, which approximates fair value, and consist principally of certificates of deposits and funds held with the State of Kansas Municipal Investment Pool.

E. Property Tax Receivable

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. On December 31, 2007, such taxes are a lien on the property and are recorded as taxes receivable, net of 2.40% uncollected taxes for the current year tax roll, with a corresponding amount recorded as deferred revenue.

F. Other Taxes and Revenues

Recognized state-shared taxes, such as gas tax or liquor tax, represent payments received during the current fiscal period.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received. Charges for services are generally susceptible to accrual and are recorded as revenue when earned.

Licenses, fees, fines, forfeitures and other revenues are generally not susceptible to accrual and are recorded when received in cash.

G. Inventories

Inventories for the County and the District are valued at cost using the first-in, first-out method. Governmental funds record inventories based upon the consumption method, which recognizes expenditures when consumed rather than when purchased.

H. Prepaid Items

Prepaid items are those paid out in the current year but which benefit future accounting periods. The County and the District record these items as an asset.

I. Restricted Assets

Certain proceeds of the County and District's bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable contract covenants. Net assets held in the County's Pension Trust Funds are legally segregated for a specific purpose and are considered to be restricted assets.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County and the District as assets costing \$10,000 or more and having a useful life of five years or more. Infrastructure assets are defined by the County as assets costing \$100,000 or more and having a useful life of five years. Interest is also

included in the capitalization threshold. Capital assets are recorded at cost or estimates of the original cost. Donated assets are recorded at fair value at the date of the gift.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets may be financed from current cash or the cash proceeds received from the sale of general obligation notes, bonds or certificates of participation.

Depreciation of capital assets, including capital leases, is calculated utilizing the straight-line method over the following estimated useful lives:

Buildings and structures	15 to 50 years
Machinery and equipment	5 to 15 years
Infrastructure:	
Roads	15 to 50 years
Bridges	25 to 50 years
Other	5 to 50 years

K. Special Assessments

As required by state statutes, projects financed in whole or in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the County. Further, state statutes permit levying additional general ad valorem property taxes in the County Debt Service Fund to finance delinquent special assessments receivable. All non-wastewater special assessments receivable are accounted for within the Debt Service Fund. Special assessments related to Wastewater District projects are accounted for in the Wastewater Enterprise Fund.

All special assessment taxes are levied over a ten to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. The County may foreclose liens against property benefited by special assessments when delinquent. On December 31st, the special assessment taxes levied are a lien on the property and are recorded as receivables in the Debt Service Fund with a corresponding amount recorded as deferred revenue. For the Unified Wastewater District, receivables and corresponding revenue are recorded for special assessments.

L. Compensated Absences

The County and the Park and Recreation District (the District) permit full-time and certain part-time employees to accumulate vacation based upon tenure, with most employees limited to a maximum of 24 calendar days. Upon termination or resignation from County or the District service, employees are entitled to payment for their maximum allowable accrued vacation earned prior to termination or resignation.

All full-time and certain part-time employees of the County and the District accrue sick leave at the rate of one calendar day per month for full-time, and one-half day for part-time employees, with no maximum accumulation. Upon separation from service, employees are compensated for 20% of unused sick pay.

Vacation and sick pay are recorded as a liability at 100% of accrued vacation and 20% of accrued sick time for both the County and the District. Accrued vacation and sick pay for the County and the District is calculated using the current salary rate of employees and reflects the vested portion. In the governmental fund types, the amount of vacation and sick leave benefits included in expenditures for the current year represents the amount liquidated during the year with expendable available resources for both the County and the District. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In proprietary funds within the County and the District, vacation and sick pay benefits are accrued when incurred, and reported as a fund liability/expense.

M. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

O. Reserved and Designated Fund Balances

The fund balances of the governmental fund types include the following reserves and designations which indicate that a portion of fund balance is not appropriable for expenditure or is legally segregated for a specific future use:

- ◆ Reserved for prepaid items is used to segregate a portion of fund balance to indicate that prepaid items do not represent available or spendable resources.
- ◆ Reserved for public safety is used to segregate the portion of fund balance created by the ¼-cent (public safety) sales tax.
- ◆ Reserved for economic development is used to segregate the portion of fund balance created by the ¼-cent (economic development) sales tax.
- ◆ Reserved for encumbrances is used to segregate a portion of fund balance for outstanding encumbrances at year end.
- ◆ Reserved for debt service is used to segregate a portion of the fund balance for the portion of the restricted cash and investments held with trustee.
- ◆ Designated for debt service is used to segregate a portion of fund balance for debt service resources restricted to the payment of general long-term debt principal and interest amounts maturing in future years.
- ◆ Designated for working capital in the General Fund is calculated based on current County policy. The actual dollar amount is based on various factors to ensure the County will be able to meet cash flow requirements, to provide contingencies for unpredictable revenue sources, and to meet debt service requirements and debt covenants. It is designed to generate a reserve amount between 10% and 15% of estimated annual General Fund annual budgeted revenues. In the Debt Service Fund working capital is 5% of next year's principal and interest payments.

♦ Designated for restricted agencies is used to segregate a portion of fund balance designated for funding various activities.

Johnson County General Fund		
Designated Fund Balance at December 31, 2007		
For Working Capital	\$	13,844,930
For Restricted Agencies		2,592,186
Total	\$	16,437,116

P. Prior Year Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The County is required by state statutes to adopt annual budgets for the General Fund, Special Revenue funds (except Register of Deeds Technology, Library Gift, and Equipment Reserve), Debt Service Fund, Enterprise funds (except PBC) and Internal Service funds (except Self-Insured Health Care).

The District is required by state statute to adopt annual budgets for the General Fund, Employee Benefit Fund and the General Obligation Bond Retirement Fund. A statutory budget is also required for the District's Enterprise fund.

The statutes provide for the following sequence and timetable in the adoption of the legal annual Capital and Operating Budget (the budget) for both the County and the District:

1. Preparation of the preliminary budget for the succeeding calendar year on or before July 1st.
2. Publication of the proposed budget in local newspaper and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

State statutes provide that the County and the District may not legally exceed the aggregate total of budgeted expenditures in any individual fund. The legal level of budgetary control is the aggregate total at the fund level. The County Manager, without approval of the governing body, may approve transfers between individual expenditure categories (e.g. Personal Services, Contractual Services). No increase in total expenditure authority for a fund may be made, except through the public hearing process described below.

State statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The County and the District must first hold a public hearing to amend the budget. The governing body may amend the budget at the time of the public hearing.

2007 Budget Amendments		
Fund	Original Budget	Adjusted Budget
General Fund	\$ 321,301,771	\$ 320,933,996

All legal operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, revenues are recognized when the revenues are both measurable and available to finance expenditures of the current fiscal period. Changes in fair value of investments are recorded for GAAP basis but not for budgetary basis. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances outstanding at year end are reported as reservations of fund balances for governmental funds and do not constitute expenditures or liabilities because the commitments will be honored in the subsequent year. Unencumbered appropriations lapse at the end of the year. Inventory is recorded as an asset for governmental fund types for GAAP basis but not for budgetary basis.

A reconciliation of revenues and expenditures/expenses under GAAP to budgeted revenues and expenditures/expenses for the Primary Government is as follows:

Reconciliation of Fund Balance	
Budgetary Basis to GAAP Basis	
for Primary Government	
Fund balance, budgetary basis	\$ 79,772,621
Investments change in fair value	2,568,214
Current Year Encumbrances	1,807,019
Inventory	649,874
Fund balance, GAAP basis	\$ 84,797,728

3. Deposits and Investments

The County has adopted a formal investment policy. The primary objectives for investments are (in order of priority) safety of principal, maintenance of adequate liquidity, and maximization of earnings from County funds. All available funds shall be invested in conformance with legal and administrative guidelines at the highest rates obtainable at the time of investment. Investments shall be managed in a manner responsive to the public trust and consistent with state and local law.

State statutes authorize the County to invest in United States Treasury and Agency securities, collateralized public deposits, and the State of Kansas Municipal Investment Pool, certain money market securities and funds, and investment agreements with financial institutions. The County's cash manager will apply the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

State statutes authorize the District to invest in collateralized public deposits, United States Treasury, and State of Kansas Municipal Investment Pool. Restricted assets for the District consist of investments held by the trustee for future qualified capital expenditures and bond reserve funds.

As of December 31, 2007, the County had the following investments:

Primary Government Schedule of Investments at December 31, 2007				
	Interest Rates	Maturities	Par Value	Fair Value
County Investments:				
Money Market Mutual Funds	5.050-5.110%	On demand	\$ 167,817,759	\$ 167,817,759
Certificate of Deposit			2,000,000	2,000,000
Kansas Municipal Investment Pool			6,844	6,844
Federal Agency Issues - Coupon:				
Federal Farm Credit Bank	3.080-5.560%	01/18/2007-12/28/2009	39,862,000	40,465,315
Federal Home Loan Bank	1.175-5.540%	01/18/2007-12/13/2010	241,095,000	243,504,396
Federal Home Loan Mtge Corp	3.000-5.536%	01/09/2007-12/13/2010	61,789,000	61,964,014
Federal National Mtge Association	3.550-5.550%	01/12/2007-12/29/2010	328,195,000	327,941,448
Total County Investments			\$ 840,765,603	843,699,776
Funds held with Trustee (Restricted for Refunded Debt):				
Debt securities:				
U.S. Government				4,281,620
Accrued Interest (held with Trustee)				1,269,936
Total Investments				\$ 849,251,332

The maturities of the County's investments as of December 31, 2007, were classified as shown below:

Primary Government Schedule of Investments at December 31, 2007			
	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	\$ 167,824,603	\$ 167,824,603	\$ -
Certificate of Deposit	2,000,000	2,000,000	-
Federal Agency Issues - Coupon			
Federal Farm Credit Bank	40,465,315	11,971,592	28,493,723
Federal Home Loan Bank	243,504,396	81,494,699	162,009,697
Federal Home Loan Mtge Corp	61,964,014	25,005,209	36,958,805
Federal National Mtge Corp	327,941,448	271,992,846	55,948,602
Total County Investments	\$ 843,699,776	\$ 560,288,949	\$ 283,410,827

The District has investments held in the State Municipal Investment Pool, in various Guaranteed Investment Contracts and the Federated Treasury Obligation Fund. The State Treasurer operates the municipal investment pool. This pool is not a Security Exchange Commission (SEC) registered pool. The pool's fair value, listed below, is the same as the value of the pool shares. The Pooled Money Investment Board provides regulator oversight for this pool.

Restricted Investments for the District are held by the Trustee in various Guaranteed Investment Contracts and the Federated Treasury Obligation Fund for bond reserves and future capital expenditures. These investments are authorized by the bond covenants. The District had the following investments as of December 31, 2007:

Component Unit Schedule of Investments at December 31, 2007					
	Rating	Interest Rates	Maturities	Par Value	Fair Value
District Investments:					
Municipal Investment Pool	AAAF/S1	N/A	Current-180 days	\$ 4,396,277	\$ 4,396,277
Guaranteed Investment Contract					
AIG Investment Contract	N/A	N/A	9/1/23, 9/1/24	2,405,926	2,405,926
FSA Capital Management Service	N/A	N/A	9/1/2021	525,000	525,000
First Union National Bank	N/A	N/A	9/1/2018	478,373	478,373
AIG Matching Fund Current	N/A	N/A	Current	715,529	715,529
U.S. Treasury Bond	N/A	N/A	8/15/2015	89,507	89,507
SBKC Money Market Investment	N/A	N/A	Current	120,475	120,475
Federated Treasury Obligation Fund	N/A	N/A	Current	2,329,780	2,329,780
				<u>\$ 11,060,867</u>	<u>\$ 11,060,867</u>

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. As a means to limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits its investment operating portfolio to maturities with a weighted average of less than eighteen months and its long-term portfolio to maturities with a weighted average of less than three years. As of December 31, 2007, the County's combined weighted average of all investments is 339 days.

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by the counterparty or the counterparty's trust department but not in the government's name. All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the County or its agents in the County's name. The County does not currently have an investment policy that addresses custodial credit risk.

All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the District or its agents in the District's name. All investments are held by the District in the District or its agent's name.

Credit Risk. As of December 31, 2007, County funds not held in depository accounts had been invested in certificates of deposits, money market funds, the state municipal investment pool, U.S. Treasury notes and the following Government Sponsored Enterprise (GSE) Notes, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Notes. All GSE Notes are rated AAA by Moody's Investor Service. Money market mutual funds are primarily invested in the AIMS Treasury money market, rated AAA by

Standard and Poor's and Merrill Lynch Money Market, rated AAA by Standard and Poor's. The Municipal Investment Pool Portfolio is rated AAAs/S1+ by Standard & Poor's.

The District limits investments to those permitted by State Statute or bond covenants and has no formal investment policy that would further limit its investment choices.

Concentration of Credit Risk. At December 31, 2007, of total cash and investments, the County invested 21% in coupons, 36% in discount notes and 16% in callable notes. Investment policy permits up to 80% to be invested in coupons and 20% in callable notes at any given point in time, and up to 65% in discount notes during peak tax collection periods (from December 10th through January 20th and from June 10th through July 20th each year) and 50% the remainder of the year. The policy also permits up to 25% to be invested in money markets, 10% in the Kansas Municipal Investment Pool and 100% in demand deposits, certificates of deposits and treasury notes. The District places no limit on the amount that is invested with any one issuer.

The following is a breakdown of the County's cash by fund type:

Reconciliation of Primary Government Cash			
	Deposits Including Investments	Restricted Cash and Investments	Total
Government-type activities	\$ 253,958,878	\$ 4,281,620	\$ 258,240,498
Business-type activities	32,890,159	51,401,068	84,291,227
Agency funds	531,227,130	-	531,227,130
Total	\$ 818,076,167	\$ 55,682,688	\$ 873,758,855

The following is a breakdown of the County's investments by issuer:

Issuer	Par value	Market Value
Fidelity	\$ 167,762,224	\$ 167,762,224
Merril Lynch	55,533	55,533
SMP 16	6,846	6,846
Hillcrest Bank Certificate of Deposit	2,000,000	2,000,000
Federal Farm Credit Bank	39,862,000	40,465,315
Federal Home Loan Bank	241,095,000	243,504,396
Federal Home Loan Mortgage Corporation	61,789,000	61,964,014
Federal National Mortgage Association	328,195,000	327,941,448
Total	\$ 840,765,603	\$ 843,699,776

At year-end, a reconciliation of deposits and investments is as follows:

Reconciliation of Deposits and Investments		
	Primary Government	Component Unit
Cash on hand	\$ 43,576	\$ -
Carrying amount of deposits	24,463,947	2,927,650
Carrying amount of investments	849,251,332	11,060,867
Total deposits and investments	<u>\$ 873,758,855</u>	<u>\$ 13,988,517</u>
Deposits including investments	\$ 818,076,167	\$ 1,092,880
Restricted cash and investments	55,682,688	12,895,637
Total deposits and investments	<u>\$ 873,758,855</u>	<u>\$ 13,988,517</u>

A breakdown of the Park and Recreation District's cash by fund type is below:

Reconciliation of Component Unit Cash			
	Governmental Activities	Business-type Activities	Total
Deposits including investments	\$ 5,043,988	\$ 1,972,585	\$ 7,016,573
Restricted cash and investments	4,639,575	2,332,369	6,971,944
Total	\$ 9,683,563	\$ 4,304,954	\$ 13,988,517

4. Receivables

Receivables are comprised of the following as of December 31, 2007:

Accounts Receivable Fiscal Year 2007						
	Taxes Receivable	Accounts Receivable	Grant Receivable	Interest Receivable	Special Assessment Receivable	Total
Governmental Activities	\$ 175,352,607	\$ 8,056,072	\$ 1,992,872	\$ 5,365,687	\$ 10,206	\$ 190,777,444
Business Type Activities	-	25,946,641	1,026,823	695,711	960,878	28,630,053
	<u>\$ 175,352,607</u>	<u>\$ 34,002,713</u>	<u>\$ 3,019,695</u>	<u>\$ 6,061,398</u>	<u>\$ 971,084</u>	<u>\$ 219,407,497</u>

5. Capital Assets

The accompanying government-wide financial statements include those infrastructure assets that were either completed during the fiscal year or considered construction in progress at year-end.

The following is the detail of capital assets as of December 31, 2007:

Primary Government

	December 31, 2006	Increases	Decreases	December 31, 2007
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 20,278,882	\$ -	\$ -	\$ 20,278,882
Construction in progress	14,358,418	11,375,166	(3,052,345)	22,681,239
Total capital assets, not being depreciated	34,637,300	11,375,166	(3,052,345)	42,960,121
Capital assets, being depreciated				
Buildings	87,553,360	3,075,843	-	90,629,203
Improvements other than buildings	1,935,787	189,380	-	2,125,167
Machinery and Equipment	29,371,859	2,193,391	(1,831,745)	29,733,505
Infrastructure	79,941,298	4,200	-	79,945,498
Total capital assets being depreciated	198,802,304	5,462,814	(1,831,745)	202,433,373
Less accumulated depreciation for:				
Buildings	(36,509,082)	(1,955,641)	-	(38,464,723)
Improvements other than buildings	(1,130,447)	(68,758)	-	(1,199,205)
Machinery and Equipment	(23,408,812)	(1,985,206)	1,807,655	(23,586,363)
Infrastructure	(27,408,162)	(2,808,043)	-	(30,216,205)
Total accumulated depreciation	(88,456,503)	(6,817,648)	1,807,655	(93,466,496)
Total capital assets, being depreciated, net	110,345,801	(1,354,834)	(24,090)	108,966,877
Governmental activities capital assets, net	\$ 144,983,101	\$ 10,020,332	\$ (3,076,435)	\$ 151,926,998

	December 31, 2006	Increases	Decreases	December 31, 2007
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 6,055,402	\$ -	\$ -	\$ 6,055,402
Construction in progress	147,342,007	61,307,345	(6,738,198)	201,911,153
Total capital assets, not being depreciated	153,397,409	61,307,345	(6,738,198)	207,966,555
Capital assets, being depreciated				
Buildings	201,709,421	619,293	-	202,328,714
Improvements other than buildings	157,840,017	7,049,489	(203,417)	164,686,089
Machinery and Equipment	254,590,327	3,743,191	(248,211)	258,085,307
Infrastructure	191,641	-	-	191,641
Total capital assets being depreciated	614,331,406	11,411,973	(451,628)	625,291,751
Less accumulated depreciation for:				
Buildings	(58,106,775)	(5,107,887)	-	(63,214,662)
Improvements other than buildings	(57,632,872)	(7,737,140)	-	(65,370,012)
Machinery and Equipment	(215,431,674)	(4,435,286)	248,211	(219,618,749)
Infrastructure	(19,963)	(9,582)	-	(29,545)
Total accumulated depreciation	(331,191,284)	(17,289,895)	248,211	(348,232,968)
Total capital assets being depreciated, net	283,140,122	(5,877,922)	(203,417)	277,058,783
Business-type activities capital assets, net	\$ 436,537,531	\$ 55,429,423	\$ (6,941,615)	\$ 485,025,338

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	\$ 742,318
Public Works	3,283,909
Public Safety	1,323,145
Health and Welfare	507,963
Planning and Economic Development	23,803
Culture and Recreation	936,510
Total depreciation expense for governmental activities	<u>\$ 6,817,648</u>

Business-type activities	
Airport Fund	\$ 1,423,521
Public Building Commission Fund	3,316,588
Transportation Fund	1,162,362
Unified Wastewater District Fund	11,387,425
Total depreciation expense for business-type activities	<u>\$ 17,289,896</u>

Discretely presented component unit

A summary of changes in governmental activities and business-type activities capital assets follows:

	December 31,		December 31,	
	2006	Increases	Decreases	2007
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 47,415,276	\$ 1,161,465	\$ -	\$ 48,576,741
Construction in progress	7,555,233	5,506,750	(7,441,343)	5,620,640
Total capital assets, not being depreciated	<u>54,970,509</u>	<u>6,668,215</u>	<u>(7,441,343)</u>	<u>54,197,381</u>
Capital assets, being depreciated				
Buildings	10,794,480	1,783,376	-	12,577,856
Improvements other than buildings	18,559,896	4,466,994	-	23,026,890
Machinery and Equipment	2,612,623	223,906	(67,874)	2,768,655
Infrastructure	10,902	-	-	10,902
Total capital assets being depreciated	<u>31,977,901</u>	<u>6,474,276</u>	<u>(67,874)</u>	<u>38,384,303</u>
Less: accumulated depreciation for:				
Buildings	(1,947,061)	(254,832)	-	(2,201,893)
Improvements other than buildings	(8,941,249)	(698,224)	-	(9,639,473)
Machinery and Equipment	(1,893,848)	(173,775)	34,651	(2,032,972)
Infrastructure	(9,630)	(1,272)	-	(10,902)
Total accumulated depreciation	<u>(12,791,788)</u>	<u>(1,128,103)</u>	<u>34,651</u>	<u>(13,885,240)</u>
Total capital assets, being depreciated, net	<u>19,186,113</u>	<u>5,346,173</u>	<u>(33,223)</u>	<u>24,499,063</u>
Governmental activities capital assets, net	<u>\$ 74,156,622</u>	<u>\$ 12,014,388</u>	<u>\$ (7,474,566)</u>	<u>\$ 78,696,444</u>

	December 31, 2006	Increases	Decreases	December 31, 2007
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 4,240,976	\$ -	-	\$ 4,240,976
Construction in progress	39,475	-	-	39,475
Total capital assets, not being depreciated	4,280,451	-	-	4,280,451
Capital assets, being depreciated				
Buildings	7,219,173	-	-	7,219,173
Improvements other than buildings	9,279,138	19,723.00	-	9,298,861
Machinery and Equipment	2,798,718	86,386	-	2,885,104
Total capital assets being depreciated	19,297,029	106,109	-	19,403,138
Less accumulated depreciation for:				
Buildings	(2,321,093)	(169,894)	-	(2,490,987)
Improvements other than buildings	(6,505,335)	(374,818)	-	(6,880,153)
Machinery and Equipment	(2,354,249)	(92,197)	-	(2,446,446)
Total accumulated depreciation	(11,180,677)	(636,909)	-	(11,817,586)
Total capital assets being depreciated, net	8,116,352	(530,800)	-	7,585,552
Business-type activities capital assets, net	\$ 12,396,803	\$ (530,800)	\$ -	\$ 11,866,003

Depreciation expense in the amount of \$1,128,103 for the component unit's governmental activities was charged to culture and recreation.

6. *Interfund Balances and Transfers*

Interfund balances occur when one fund incurs expenses for another fund. For 2007, the Public Building Commission owes the General Fund for certain expenses, and the Airport owes the General Fund for money advanced to purchase land and associated property. Amounts due to and from other funds as of December 31, 2007 are as follows:

Interfund Balances at December 31, 2007		
	Due to Other Funds	Due from Other Funds
Major Funds		
General Fund	\$ -	\$ 2,323,495
Public Building Commission	1,900,361	-
Non-Major Enterprise Funds		
Airport	423,134	-
Total	\$ 2,323,495	\$ 2,323,495

An interfund transfer is a movement of monies from one fund to another for current purposes. Frequently it involves the transfer of money from the fund authorized to raise the money to the fund authorized to spend it.

Interfund operating transfers for the year ended December 31, 2007, are as follows:

Interfund Transfers:								
	General Fund	Capital Projects Fund	Unified Wastewater District	Public Building Commission	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Service Funds	Total Transfers Out
Transfer From								
General Fund	\$ -	\$ 23,547,746	\$ -	\$ 239,254	\$ 1,369,590	\$ 4,285,333	\$ -	\$ 29,441,923
Capital Projects Fund	94,055	-	-	-	434,014	-	-	528,069
Unified Wastewater District	736,410	-	-	-	-	-	-	736,410
Public Building Commission	254,579	-	-	-	-	-	-	254,579
Non-Major Governmental Funds	127,885	33,041,082	-	-	2,552,018	163,831	-	35,884,816
Non-Major Enterprise Funds	-	-	-	-	-	-	-	-
Non-Major Internal Funds	-	-	-	-	-	-	-	-
Total Transfers In	\$ 1,212,929	\$ 56,588,828	\$ -	\$ 239,254	\$ 4,355,622	\$ 4,449,164	\$ -	\$ 66,845,797

Transfers from the General Fund and non-major governmental funds were primarily to the Capital Projects Fund to fund capital projects as budgeted. The General Fund also transferred operating subsidies to the Transportation (a non-major enterprise) fund. Transfers from the Capital Projects fund to the General Fund were for unexpended funds at the end of a capital project. Funds were also transferred from the General fund to the non-major governmental fund for equipment reserves.

Transfers from a major enterprise fund, the Unified Wastewater, were to reimburse the General fund for various costs. Transfers from non-major governmental funds were primarily to the Capital Projects fund for budgeted capital projects and to the non-major governmental funds to provide budgeted revenue for debt service, and to reimburse the General Fund for various costs.

Transfers for the government-wide Statement of Activities for the year ended December 31, 2007 have been summarized below:

	Transfers
Transfer From	
Governmental activities to Business-type activities	
General to Public Building Commission	\$ 239,254
General to Non-Major Enterprise	4,285,333
Non-Major Governmental to Non-Major Enterprise	163,831
Business-type activities to Governmental activities	
Unified Wastewater to General	(736,410)
Public Building Commission to General	(254,579)
Total Transfers - Statement of Activities	\$ 3,697,429

7. Assets under Capital Leases

The County and the Park and Recreation District have entered into various leases for land, buildings, equipment and vehicles, which have bargain purchase options and have been classified in the financial statements as capital leases. The following table details property under capital leases by major classification at December 31, 2007:

Assets Under Capital Lease		
	Governmental Activities	Component Unit
Machinery and equipment	\$ 101,172	\$ 454,568
Less accumulated depreciation	(50,756)	(107,383)
Total	\$ 50,416	\$ 347,185

8. Debt

A. Governmental Activities Long-Term Debt

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the County for the year ended December 31, 2007:

Summary of Governmental Activities Debt for the year ended December 31, 2007					
Primary Government	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Bonds:					
General obligation	\$ 12,961,092	\$ -	\$ 2,193,541	\$ 10,767,551	\$ 2,219,210
Plus: bond premium	5,922	-	317	5,605	
Special obligation	19,685,000	-	1,525,000	18,160,000	1,515,000
Special assessment	36,013	-	9,667	26,346	7,873
Compensated absences	14,798,867	2,423,095	1,366,210	15,855,752	1,306,184
Other post employment benefits	2,779,761	2,895,261	-	5,675,022	3,143,186
Capital lease obligations	25,062	36,575	12,260	49,377	17,389
Total	\$ 50,291,717	\$ 5,354,931	\$ 5,106,995	\$ 50,539,653	\$ 8,208,842

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

2. Governmental Activities General and Special Obligation Bonds

At December 31, 2007, governmental activities general and special obligation bonds consist of the following:

Outstanding Governmental Activities General and Special Obligation Bonds as of December 31, 2007				
Primary Government	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1997B Library	\$ 2,800,000	\$ 1,400,000	4.625-5.100%	20
1998B Library	1,890,000	1,050,000	3.800-4.600%	16
1999A	7,572,376	1,409,524	4.500-5.500%	20
1999B Library	6,415,000	4,525,000	5.100-5.625%	20
2001B Library	3,390,000	2,505,000	4.300-5.000%	20
2001C	300,000	109,000	2.500-4.150%	10
2002A	3,877,979	1,989,028	5.000-5.250%	10
2002B	10,415,000	5,525,000	2.250-3.700%	10
2002C	8,600,000	4,235,000	2.000-3.800%	11
2003A	985,000	585,000	1.000-3.800%	10
2004B	4,445,000	4,445,000	3.125-4.000%	15
2005A	1,245,000	1,150,000	4.000-4.750%	20
Total	\$ 51,935,355	\$ 28,927,552		

On October 1, 2004, the County issued 2004B Special Obligation Library Improvement Refunding Bonds for \$4,445,000 to refund the September 1, 2009 through the September 1, 2019 maturities of the 1999B Library Improvement Bonds, dated December 1, 1999. The refunding will be accomplished by means of a "crossover" refunding mechanism. The proceeds of the 2004B bonds will establish a trust account with an escrow agent to provide for current debt service on the 2004B Library Refunding bonds through the time of redemption, which shall be September 1, 2008, and the principal amount due, as of the first call date of September 1, 2008, of all the callable maturities of the Series 1999B Library bonds. The escrow account is reflected in the County's Debt Service fund as restricted cash and investments. The bonds mature in 2019, and have interest rates ranging from 3.125% to 4.0%.

The County refunded the 1994A Library Bonds to reduce its total debt service payments over the next fifteen years by \$250,631 and to obtain an economic gain (the difference between the present values of the payments on the old debt and the new debt) of \$177,527.

Remaining debt service requirements for general and special obligation bonds will be paid from the Debt Service Fund of the Primary Government with future property tax revenues.

Annual debt service requirements to maturity for governmental activities general and special obligation bonds are as follows:

Debt Service Requirements Governmental Activities for General and Special Obligation Bonds			
Primary Government	Principal	Interest	Total
2008	\$ 7,984,211	\$ 1,219,133	\$ 9,203,344
2009	3,842,494	843,871	4,686,365
2010	3,237,458	695,860	3,933,318
2011	3,303,628	573,887	3,877,515
2012	3,344,761	444,839	3,789,600
2013-2017	4,905,000	1,100,038	6,005,038
2018-2022	2,055,000	242,306	2,297,306
2023-2025	255,000	24,701	279,701
Total	\$ 28,927,552	\$ 5,144,635	\$ 34,072,187

3. Governmental Activities Special Assessment Bonds

As explained in Note 1.K., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. At December 31, 2007, governmental activities special assessment bonds outstanding consist of the following:

Outstanding Governmental Activities Outstanding Special Assessment Bonds as of December 31, 2007				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1999A	\$ 25,733	\$ 5,146	4.50-5.00%	10
2001C	63,000	21,200	2.75-4.75%	10
Total	\$ 88,733	\$ 26,346		

Remaining debt service requirements for special assessment bonds with governmental commitment will be paid from the Debt Service Fund with future special assessment tax revenues.

Annual debt service requirements to maturity for governmental activities special assessment bonds are as follows:

Debt Service Requirements Governmental Activities for Special Assessment Bonds			
	Principal	Interest	Total
2008	\$ 7,873	\$ 1,029	\$ 8,902
2009	7,873	713	8,586
2010	5,300	392	5,692
2011	5,300	199	5,499
Total	\$ 26,346	\$ 2,333	\$ 28,679

4. Capital Leases

As explained in Note 7, the County has entered into various capital leases for assets. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2007 were as follows:

Future Minimum Lease Payments	
Year Ending December 31:	Governmental Activities
2008	\$ 20,115
2009	12,888
2010	8,412
2011	8,412
2012	5,608
Total minimum lease payments	55,435
Less amounts representing interest	6,058
Present value of minimum lease payments	\$ 49,377

5. Debt Margin

The County has an available debt margin of \$672,617,329 as of December 31, 2007.

B. Business-Type Activities Debt

1. Changes in Business-Type Activities Debt

The following table summarizes the changes in business-type activities debt of the County for the year ended December 31, 2007:

Summary of Business-Type Activities Debt for the year ended December 31, 2007					
	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Primary Government					
General obligation bonds:					
Wastewater	\$ 121,718,729	\$ 66,810,000	\$ (11,968,195)	\$ 176,560,535	\$ 11,367,810
Plus: bond premium	427,271	1,253,111	(70,806)	1,609,575	-
Less: deferred amounts	(1,250,724)	-	218,022	(1,032,702)	-
Airport	4,786,889	-	(671,321)	4,115,568	667,977
Special assessment bonds:					
Wastewater	767,269	-	(77,276)	689,993	77,129
Revenue bonds:					
PBC	89,470,000	15,350,000	(9,815,000)	95,005,000	6,200,000
Plus: bond premium	333,643	-	(18,885)	314,758	-
Less deferred amounts:					
For issuance discounts	(203,734)	(126,523)	13,626	(316,630)	-
On refundings	(685,545)		89,684	(595,861)	-
Compensated absences	1,330,771	149,316	-	1,480,087	121,928
Retainages payable	367,279	151,825	(83,400)	435,704	435,704
Long-term loans:					
Wastewater	48,370,355		(4,566,000)	43,804,355	4,692,271
Airport	237,471	-	(41,544)	195,927	43,516
Total	\$ 265,669,674	\$ 83,587,730	\$ (26,991,094)	\$ 322,266,309	\$ 23,606,335

2. Business-Type Activities General Obligation Bonds

At December 31, 2007, business-type activities general obligation bonds consist of the following:

Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2007				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1998A Wastewater	\$ 39,680,000	\$ 17,265,000	3.600-4.400%	14
2001A Wastewater	15,000,000	11,085,000	4.250-4.875%	20
2001C Wastewater	5,755,000	4,415,000	2.500-5.050%	20
2002A Wastewater	36,126,997	18,529,653	5.000-5.250%	10
2002B Wastewater	4,038,658	3,235,882	2.250-4.800%	20
2003A Wastewater	3,900,000	3,285,000	1.000-4.750%	20
2004A Wastewater	14,410,000	12,700,000	3.000-5.000%	20
2005A Wastewater	44,935,000	41,475,000	4.000-4.750%	20
2007A Wastewater	42,220,000	39,980,000	4.000-5.000%	20
2007B Wastewater	24,590,000	24,590,000	4.000-4.750%	20
1993A Airport	3,625,000	170,000	5.100-5.800%	20
1996 Airport	795,000	360,000	4.400-5.000%	20
1997A Airport	2,407,284	1,199,999	4.500-5.000%	20
1999A Airport	410,000	157,195	4.500-5.500%	20
2001A Airport	1,175,000	345,000	4.250-4.375%	10
2001C Airport	192,000	74,800	2.500-4.150%	10
2002A Airport	123,951	63,575	5.000-5.250%	10
2002B Airport	355,000	175,000	2.250-3.700%	10
2003B Airport	2,070,000	1,570,000	1.000-4.250%	14
Total	\$ 241,808,890	\$ 180,676,104		

On March 1, 2007, the County issued Series 2007A General Obligation Improvement Bonds for \$42,220,000 to finance certain wastewater improvements to the Unified Wastewater District. These bonds mature in 2026, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2007A issue was recorded in the amount of \$1,202,436 and is being amortized to interest expense through 2026. As of December 31, 2007, the remaining balance of the bond premium is \$1,074,739.

On December 1, 2007, the County issued Series 2007B General Obligation Improvement Bonds for \$24,590,000 to finance certain wastewater improvements to the Unified Wastewater District. These bonds mature in 2026, and have interest rates ranging from 4.0% to 4.75%. The bond premium for the Series 2007B issue was recorded in the amount of \$167,283. As of December 31, 2007, the remaining balance of the bond premium is \$131,095.

The County issued debt for various wastewater improvements in 1992 and this debt was refunded partially in 1998 and the balance in 2002. The deferred refunding for \$1,032,702 as of December 31, 2007, is the difference between the reacquisition price and the net carrying amount of the old debt and is being amortized to interest expense annually through 2012.

Remaining debt service requirements for general obligation wastewater bonds will be paid from the Unified Wastewater District Enterprise Fund with revenues from equivalent dwelling unit (EDU) charges and connection fees. EDU charges are placed on property tax rolls and collected in the same manner as property taxes. Remaining debt service requirements for general obligation airport bonds will be paid from the Airport Enterprise Fund with revenues from operations or from taxes.

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

Debt Service Requirements for Business-Type Activities General Obligation Bonds			
	Principal	Interest	Total
2008	\$ 12,035,787	\$ 7,718,368	\$ 19,754,155
2009	12,346,654	7,465,234	19,811,888
2010	12,868,302	6,929,340	19,797,642
2011	13,296,154	6,366,027	19,662,181
2012	13,834,300	5,775,053	19,609,353
2013-2017	39,681,275	22,601,019	62,282,294
2018-2022	44,118,632	13,295,613	57,414,245
2023-2027	32,494,999	3,667,181	36,162,180
Total	\$ 180,676,103	\$ 73,817,835	\$ 254,493,938

3. Business-Type Activities Special Assessment Bonds

As explained in Note 1. K., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. At December 31, 2007, Wastewater special assessment bonds consist of the following:

Outstanding Wastewater Special Assessment Bonds as of December 31, 2007				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1991B	\$ 272,773	\$ 20,000	5.40-6.00%	20
1996	910,000	495,000	4.40-5.00%	20
1999A	96,891	58,131	4.50-5.50%	20
2002A	171,073	87,744	5.00-5.25%	10
2002B	36,342	29,118	2.25-4.80%	20
Total	\$ 1,487,079	\$ 689,993		

Remaining debt service requirements for wastewater special assessment bonds with governmental commitment will be paid from the Wastewater Enterprise Fund with future special assessments.

Annual debt service requirements to maturity for wastewater special assessment bonds outstanding at December 31, 2007, are as follows:

Debt Service Requirements for Wastewater Special Assessment Bonds				
	Principal	Interest	Total	
2008	\$ 77,129	\$ 34,539	\$	111,668
2009	77,980	30,738		108,718
2010	83,940	26,924		110,864
2011	84,918	22,658		107,576
2012	85,939	18,340		104,279
2013-2017	258,722	36,022		294,744
2018-2022	21,365	2,486		23,851
Total	\$ 689,993	\$ 171,707	\$	861,700

4. Business-Type Activities Revenue Bonds

The Public Building Commission (PBC) has issued revenue bonds, which will be paid from future rent revenues. At December 31, 2007, business-type activities revenue bonds for PBC consist of the following:

Business-Type Activities Outstanding Revenue Bonds as of December 31, 2007				
	Original Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
Primary Government				
PBC, 1998	\$ 16,400,000	\$ 150,000	4.250-4.400%	10
PBC, 1999	1,910,000	1,355,000	5.400-5.850%	20
PBC, 2002A	10,465,000	4,670,000	2.750-5.000%	20
PBC, 2002B	15,950,000	8,675,000	2.750-4.150%	12
PBC, 2003A	23,410,000	19,760,000	2.375-4.800%	20
PBC, 2004A	22,365,000	19,805,000	2.000-5.250%	20
PBC, 2005A	28,260,000	26,095,000	4.000-4.750%	20
PBC, 2007A	10,500,000	9,945,000	3.892-4.125%	20
PBC, 2007B	4,850,000	4,550,000	3.800-3.900%	20
Total	\$ 134,110,000	\$ 95,005,000		

On February 22, 2007, the PBC issued \$10,500,000, Lease Purchase Improvement Revenue Bonds, Series 2007A to finance a capital improvement project on behalf of the County to construct County buildings. These bonds mature in 2026, and have interest rates ranging from 4.0% to 4.125%. The bond discount for the Series 2007A Lease Purchase Improvement Revenue Bonds issue was recorded in the amount of \$106,045, and is being amortized to interest expense through 2026. As of December 31, 2007, the remaining balance of the bond discount is \$101,627.

On February 22, 2007, the PBC issued \$4,850,000 Lease Purchase Refunding Revenue Bonds, Series 2007B, to current refund \$3,520,000 of outstanding Series 1997 Bonds with interest rates ranging from 4.75% to 5.20%, and crossover refund \$1,270,000 of outstanding 1999 series with interest rates ranging from 5.40% to 5.85% (the Refunded Bonds). The bonds mature in 2019 and have interest rates ranging from 3.80% to 3.90%. The refunding of the Series 1997 Bonds qualifies as a "current" refunding under the Internal Revenue Code as the Bonds refunded will be called within 90 days of the date of the issued 1997 Bonds. The current Refunded Bonds are considered defeased and the liability for these bonds have been removed from the financial statements. The current refunding resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$167,917 and a reduction of \$198,909 in the future debt service payments for the PBC over the next 10 years.

For the crossover refunding, net proceeds of \$1,269,935 were used to purchase U.S. Government securities. These securities were deposited in an escrow account with an Escrow Trustee to pay debt service from September 1, 2007 through September 1, 2008 on the portion of the Refunding Bonds allocable to the Series 1999 Bonds. On September 1, 2008, the Escrow Trustee will redeem the principal of Series 1999 Bonds scheduled to mature in the years 2009 through 2019 in the aggregate amount of \$1,270,000. After September 1, 2008, the Series 1999 Bonds will be considered to be defeased and the liability for those bonds have been removed from the financial statements. The PBC completed the crossover refunding to reduce its total debt service payments over the net twelve years by approximately \$136,340 and to obtain an economic gain (the difference between the present value of the old and the new debt) of \$105,788.

The PBC issued debt in 2002 to refund various issues from 1993, 1994 and 1995. The deferred refunding for \$595,861 as of December 31, 2007, is the difference between the reacquisition price and the net carrying amount of the old debt and is being amortized to interest expense annually through 2014.

Remaining debt service requirements for PBC revenue bonds will be paid from the PBC Enterprise fund.

Annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Debt Service Requirements for Business-Type Activities Revenue Bonds			
	Principal	Interest	Total
Primary Government			
2008	\$ 7,470,000	\$ 3,923,101	\$ 11,393,101
2009	6,085,000	3,647,091	9,732,091
2010	6,125,000	3,437,176	9,562,176
2011	5,570,000	3,215,674	8,785,674
2012	5,670,000	3,007,528	8,677,528
2013-2017	25,065,000	11,915,917	36,980,917
2018-2022	25,665,000	6,799,341	32,464,341
2023-2027	13,355,000	1,037,575	14,392,575
Total	\$ 95,005,000	\$ 36,983,403	\$ 131,988,403

5. Business-Type Activities Long-Term Loans

The County has committed to pay loan obligations in the event that insufficient revenues are collected from connection fees and EDU charges within the Wastewater District. The County has also committed to pay loan obligations for various railroad improvements at the New Century Air Center.

During 2007, the State did not advance any additional funds for Wastewater improvements. As of December 31, 2007, the County was eligible to borrow an additional \$1,064,107 for various Wastewater improvements.

At December 31, 2007, loan agreements were in existence between the County and the State of Kansas as follows:

Business-Type Activities				
Outstanding Loans as of December 31, 2007				
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years
Mission Twp MSD1 C34 P4	\$ 4,902,966	\$ 861,015	4.25%	20
Indian Creek MSD1 C17 P3	3,146,378	631,713	4.33%	20
Indian Creek SDC1 C17 P4	1,752,469	403,072	4.22%	20
Turkey Creek MSD1 C19 P2	3,069,300	624,760	4.33%	20
Turkey Creek MSD1 C19 P3	3,543,860	838,745	4.44%	20
Blue River	14,290,397	8,595,452	3.14%	20
Mill Creek	47,190,000	20,164,381	3.77%	20
Mill Creek Regional Plant	13,583,500	11,685,217	2.86%	20
Airport Railroad Project	199,500	72,988	3.00%	10
Airport Industrial Rail Project	217,197	122,939	3.00%	10
Total	\$ 91,895,567	\$ 44,000,282		

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2007, against these loans are as follows:

Debt Service Requirements for Business-Type Activities Loans				
	Principal		Interest	Total
2008	\$	4,735,787	\$ 1,416,315	\$ 6,152,102
2009		4,877,248	1,251,762	6,129,010
2010		5,023,441	1,082,427	6,105,868
2011		5,027,022	908,906	5,935,928
2012		4,746,549	740,857	5,487,406
2013-2017		13,629,086	1,817,009	15,446,095
2018-2022		4,119,827	668,381	4,788,208
2023-2027		1,845,638	139,796	1,985,434
Total	\$	44,004,598	\$ 8,025,453	\$ 52,030,051

C. Component Unit Debt

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the District for the year ended December 31, 2007:

Summary of Governmental Activities Debt for the year ended December 31, 2007					
Component Unit	Outstanding			Outstanding	Due Within
	January 1	Additions	Reductions	December 31	One Year
Bonds:					
General obligation	\$ 4,570,000	\$ -	\$ 265,000	\$ 4,305,000	\$ 275,000
Revenue	8,857,044	-	533,972	8,323,072	568,144
Certificates of participation	39,730,000	-	1,980,000	37,750,000	2,040,000
Compensated absences	627,814	412,348	412,348	627,814	402,500
Other post employment benefits	192,085	192,085	-	384,170	-
Capital lease obligations	103,967	-	38,705	65,262	40,633
Total	\$ 54,080,910	\$ 604,433	\$ 3,230,025	\$ 51,455,318	\$ 3,326,277

2. Governmental Activities and Business Type Activities Summary of Long Term Debt

The District has issued revenue bonds. The bonds will be paid from user fees for various recreational activities. At December 31, 2007, governmental activities and business-type activities debt for the District consists of the following:

Summary of Bond Issues					
Component Unit	Original Issue Amount	Governmental Activities Balance	Business- Type Balance	Interest Rates	Original Term in Years
General Obligation:					
1999 Big Bull Creek	\$ 6,000,000	\$ 4,305,000	\$ -	4.250-6.250%	20
Revenue:					
1998 First Mortgage Lease	5,975,000	3,231,159	873,841	4.800-5.200%	20
2000 Lease	877,800	465,306	99,694	5.500-6.250%	15
2001 Lease	6,695,000	4,626,607	628,393	4.600-5.000%	20
1994 Series B	4,380,000	-	70,000	6.000%	18
1998 Refunding	8,095,000	-	2,820,000	4.800-5.200%	20
2001A Refunding	3,020,000	-	2,145,000	4.500-5.300%	18
Certificates of Participation:					
2002 Series A	14,120,000	11,315,000	-	3.000-5.000%	20
2003 Series A	28,255,000	23,750,000	-	2.625-4.500%	20
2003 Series B	3,640,000	2,685,000	-	2.250-5.000%	21
Total	\$ 81,057,800	\$ 50,378,072	\$ 6,636,928		

3. Governmental Activities Long-term Debt

Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

Debt Service Requirements Governmental Activities			
Component Unit	Principal	Interest	Total
2008	\$ 2,923,777	\$ 2,144,660	\$ 5,068,437
2009	2,579,110	2,052,494	4,631,604
2010	2,730,444	1,960,214	4,690,658
2011	2,830,173	1,859,529	4,689,702
2012	2,940,186	1,748,690	4,688,876
2013-2017	16,481,414	6,772,654	23,254,068
2018-2022	17,568,230	2,885,208	20,453,438
2023-2024	2,390,000	118,500	2,508,500
Total	\$ 50,443,334	\$ 19,541,949	\$ 69,985,283

The 1998 Revenue Refunding Bonds, 1994 Series B Revenue Bonds, and the 2001A Series Revenue Refunding Bonds require the District to produce net revenues as defined by the bonds of not less than 110% of the debt service requirements required to be paid by the District in the fiscal year of all revenue bonds outstanding.

All of the revenue bonds also require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the bonds; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The District has \$1,022,881 in the District enterprise Fund and \$1,255,965 in the Parks and Recreation Foundation Fund restricted for the bond reserves.

The 2001 A Series Revenue Refunding Bonds require on the first day of each month, monthly payments to the principal and interest reserve fund equal to proportionate amounts necessary

to have sufficient funds for the next interest and principal payment date. The bonds also require on each December 10 an amount to be transferred to the reserve accounts sufficient to make the next principal and interest payment. The District was not making the monthly transfers for the first two months of the year. Upon identification of this violation, management took corrective action and is now making monthly transfers.

The Certificates of Participation require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the bonds; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The governmental activities has \$2,473,437 restricted for the required bond reserves.

The District has \$2,166,138 restricted cash and cash equivalents in project reserve funds established by the certificates of participation and revenue bonds. These reserve funds are restricted by the bond documents for specific capital projects.

4. Changes in Business-Type Activities Long-Term Debt

The following table summarizes the changes in business-type activities debt of the District for the year ended December 31, 2007:

Summary of Business-Type Activities Debt for the year ended December 31, 2007					
Component Unit	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Revenue bonds	\$ 7,452,956	\$ -	\$ (816,028)	\$ 6,636,928	\$ 656,857
Less: deferred amounts	(129,906)	-	53,202	(76,704)	(53,202)
Compensated absences	436,101	240,777	(240,777)	436,101	244,000
Capital lease obligations	166,557	-	(67,599)	98,958	55,677
Total	\$ 7,925,708	\$ 240,777	\$ (1,071,202)	\$ 7,095,283	\$ 903,332

5. Business-Type Activities Revenue Bonds

The District has issued revenue bonds. The bonds will be paid from user fees for various recreational activities.

Annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Debt Service Requirements for Business-Type Activities Revenue Bonds			
Component Unit	Principal	Interest	Total
2008	\$ 656,857	\$ 343,066	\$ 999,923
2009	600,517	310,913	911,430
2010	514,556	291,818	806,374
2011	524,827	271,298	796,125
2012	534,814	249,672	784,486
2013-2017	2,898,587	938,508	3,837,095
2018-2021	906,770	134,979	1,041,749
Total	\$ 6,636,928	\$ 2,540,254	\$ 9,177,182

The 1998 Revenue Refunding Bonds, 1994 Series B Revenue Bonds, and the 2001A Series Revenue Refunding Bonds requires the District to produce net revenues as defined by the bonds of not less than 110% of the debt service requirements

6. Capital leases

As explained in Note 7, the District has entered into various capital leases for assets. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2007 were as follows:

Future Minimum Lease Payments	
Year Ending December 31:	Component Unit
2008	\$ 102,298
2009	53,637
2010	16,687
Total minimum lease payments	172,622
Less amounts representing interest	(8,402)
Present value of minimum lease payments	\$ 164,220

9. Commitments

Capital projects often extend from one to four years and are accounted for in the County's Capital Projects Fund. Kansas statutes do not require capital project expenditures to be budgeted. The following is a schedule of project authorizations and expenditures incurred since inception, by category, for capital projects in progress at December 31, 2007.

Primary Government Project Authorizations and Expenditures Since Inception		
Project Category	Authorization	Expenditures Since Inception
Primary Government		
AIMS	\$ 878,982	\$ 320,186
Appraiser	3,885,641	1,791,577
Board of County Commissioners	111,517	99,003
Budget & Financial Planning - Econ. Dev.	805,504	-
County Managers Office	357,700	183,796
Election	2,160,524	980,268
Emergency Communications	27,563,803	4,564,957
Emergency Medical Services	1,789,438	1,133,805
Facilities	25,760,823	13,270,508
Information Technology Services	7,483,509	4,706,067
Infrastructure	86,785,949	60,324,081
Justice Information Management	375,000	186,985
Library	850,806	750,806
Planning	28,650	9,945
Sheriff	827,276	-
Public Health	198,112	192,804
Public Works - Stormwater	186,600,854	157,337,510
Total	\$ 346,464,088	\$ 245,852,298

10. Self-Insurance

A. Risk Management

The Park and Recreation District does not participate in the County's self-insurance programs for risk management and health care. The District purchases commercial insurance coverage for these risks.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since November 1990, the County has qualified as a self-insurer for workers' compensation benefits. Workers' Compensation costs are paid into the Risk Management internal service fund by all other funds through an allocation system and are available to pay claims, claim reserves, and administrative costs of the program. The County retains liability for \$350,000 per accident with specific excess coverage purchased commercially to provide protection in excess of that amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. No aggregate excess coverage is purchased. A third party claims administrator is contracted to provide claims administration and payment services.

As of December 31, 2007, incurred but not reported (IBNR) workers' compensation claims of \$953,184 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. Additional workers' compensation claims incurred and outstanding of \$682,366 have also been recorded in this fund.

The County retains liability for \$350,000 of each occurrence for losses related to automobile and general liability. Coverage in excess of the retained limits is provided by excess insurance. Settled claims have not exceeded the retention or the commercial coverage in any of the past three fiscal years. The County purchases Public Officials Errors & Omissions and Employment Practices Liability insurance which provides coverage in excess of a \$350,000 retention per each wrongful act. Settled claims have not exceeded the retention or commercial coverage in any of the past three fiscal years. There were no significant reductions in the insurance coverage from the prior year. As of December 31, 2007, incurred but not reported (IBNR) automobile and general liability claims of \$260,564 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. A liability for automobile and general claims is established when payment is determined to be probable and reasonable estimates of expected costs are available. These amounts are in the categories as listed below:

Automobile liability	\$ 62,941
General liability	197,623
Total	\$ 260,564

Changes in the Risk Management internal service fund's insurance claims payable during 2007 and 2006 were as follows:

Risk Management				
	Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Liability End of Year
2007	\$ 2,084,263	2,939,418	(2,992,567)	\$ 2,031,114
2006	\$ 2,105,885	2,860,372	(2,881,994)	\$ 2,084,263

The above totals represent both the Workers' Compensation fund as well as tort and non-tort liability Reserve fund costs. The Risk Management claims payable are based upon claims adjusters' and management's evaluation, and an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but not reported. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Included in the Risk Management fund's net assets is an amount for future catastrophic losses not otherwise insured in the amount of \$8,507,449 and \$7,235,401 at December 31, 2007 and 2006, respectively. This amount represents approximately 1% of next year's total budgeted revenue from the general, special revenue, capital projects and enterprise funds.

B. Self-Insured Health Care

The County qualified as a self-insurer for health care benefits in 1990, and has been in a cost-plus arrangement since 1993. The County retains liability for \$175,000 per person, with specific excess coverage purchased to provide protection in excess of that amount. In addition, the County has aggregate stop-loss coverage for potential health care costs above the funded limit for the County as a whole. This aggregate stop-loss is limited to 120% of projected claims for the plan year, and was approximately \$25,125,238 and \$22,127,169 in 2007 and 2006, respectively. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2007, a liability of \$1,594,308 has been recorded in the Self-Insured Health Care internal service fund for outstanding health care claims, including an estimate for claims incurred but not reported (IBNR).

The Self-Insured Health Care claims payable are based upon claims adjusters' and management's evaluation. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Changes in the Self-Insured Health Care internal service fund's insurance claims payable during 2007 and 2006 were as follows:

Self-Insured Health Care				
	Insurance Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Insurance Claims Liability End of Year
2007	\$ 1,588,780	26,732,875	(26,727,347)	\$ 1,594,308
2006	\$ 1,722,645	23,285,753	(23,419,618)	\$ 1,588,780

11. Contingencies

A. Federal Assistance

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts

already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

B. *Litigation*

The County and its related entities are involved in various lawsuits arising in the ordinary course of activities, including claims related to law enforcement activities, personal injuries and personnel issues, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice from counsel, believes that their ultimate outcome will not be material to the financial statements.

C. *Other Contingencies*

As of December 31, 2007, the District has entered into various contracts for construction of improvements with approximately \$1,549,000 of the contracts to be completed in future fiscal years.

12. *Pension Plans*

A. *KPERS/KP&F*

Johnson County and the District participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available joint financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for calendar year 2007 was 5.31%. The Johnson County employer contributions to KPERS for the years ending December 31, 2007, 2006, and 2005 were \$4,537,579, \$3,838,795, and \$3,216,064, respectively, and equal the required contributions for each year.

On July 1, 2006, new legislation went into effect requiring governmental agencies to pay a KPERS employer contribution rate on certain KPERS retirees who work after retirement (House Substitute for SB 270). The new rate only applies to workers who retired from a different KPERS employer. For example, the rate would not apply to a KPERS County retiree resuming employment with the County. The 2007 employer rate was 11.69% and is calculated on the employee's gross earnings. There is no employee rate assessed.

The KP&F employer rates established for fiscal year 2007 are 13.32% for participating emergency medical staff and 13.54% for sheriff. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Johnson County contributions to KP&F for the years ending December 31, 2007, 2006, and 2005 were \$5,499,958, \$4,836,420, and \$4,361,838 respectively, and were equal to the required contributions for each year.

The Park and Recreation District employer contributions to KPERS for the years ending December 31, 2007, 2006 and 2005, were \$299,435, \$308,518, and \$238,530, respectively, equal to the required contributions for each year. The Park and Recreation District contributions to KP&F for the years ending December 31, 2007, 2006, and 2005, were \$113,824, \$93,182, and \$88,674, respectively, equal to the required contributions for each year.

B. Deferred Compensation Plan

The County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death or unforeseeable emergency.

The plan assets have been placed in a trust for the exclusive benefit of the employees and are not the property of the County or subject to the claims of the County's general creditors. The County has no administrative involvement and does not perform the investing function related to this plan. The County has no fiduciary accountability for the plan, and accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements.

C. Supplemental Retirement Plans

In 2001, the Board of County Commissioners established three separate single-employer defined contribution plans effective beginning with fiscal year 2002: 1) the Johnson County Supplemental Retirement Plan, 2) the Johnson County Executive Retirement Plan and 3) the Johnson County Elected Retirement Plan. Plan benefit provisions and contribution requirements for each plan were established by Johnson County Resolution No. 094-01 and may be amended by the Board of County Commissioners of Johnson County, Kansas (the Employer). The administrator for these plans will be Johnson County, Kansas. The plans are in accordance with Internal Revenue Code 401(a). A separate audited GAAP-basis pension plan report is not available for the defined contribution pension plans.

The Johnson County Supplemental Retirement Plan was established to provide benefits at retirement to all eligible employees of Johnson County other than elected officials. Substantially all regular employees over the age of eighteen who are scheduled for eighty hours or greater per pay period and any part-time employees who are in positions of ½ full-time equivalent or greater are eligible to participate in this plan. This plan covers all eligible members for the County as of January 1, 2002 provided the eligible employee has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is \$10 per pay period in order to qualify for the Employer's matching contribution. The Employer's matching contribution shall be in the amount equal to 100% of the employee's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the employees are permitted to this plan. Employees vest in the plan as follows: 20% with one year of service, 40% with two years of

service, 60% with three years of service, 80% with four years of service, and 100% with five years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

The Johnson County Executive Retirement Plan was established to provide benefits at retirement for the County Manager. This plan covers one member, who is 100% vested at the time of enrollment. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and is determined by the Employer. No employee contributions are permitted.

The Johnson County Elected Retirement Plan was established to provide benefits at retirement for the Elected Officials of the County. This plan covers all elected officials for the County as of January 1, 2002 provided the elected official has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is \$10 per pay period in order to qualify for the Employer's matching contribution to the retirement plan. The Employer's matching contribution to the retirement plan shall be in an amount equal to 100% of the Elected Official's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the elected officials are permitted to this plan. Elected officials will vest as follows: 25% with one year of service, 50% with two years of service, 75% with three years of service, and 100% vested with four years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

Information Regarding the Supplemental Retirement Plans			
<u>Fiscal Year Ending</u>	Number of Active Participants		
	<u>Employee</u>	<u>Executive</u>	<u>Elected</u>
12/31/2007	1,967	1	7
12/31/2006	1,793	1	4
12/31/2005	1,652	1	4
<u>Fiscal Year Ending</u>	County Contributions		
	<u>Employee</u>	<u>Executive</u>	<u>Elected</u>
12/31/2007	\$ 2,144,006	\$ 16,121	\$ 54,662
12/31/2006	1,427,617	24,647	55,867
12/31/2005	1,514,582	8,308	8,407

13. Conduit Debt Obligations

The County has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. The County has also issued multi-family housing bonds to provide mortgage loans for the construction and financing of multi-family rental and single family residences in the County. These bonds are secured solely by the property financed by the respective bond issues and by credit guarantees of investment-grade financial institutions. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2007, there were three issues of industrial revenue and multi-family housing bonds outstanding with an original amount of \$23,649,500 and an aggregate principal balance outstanding of \$21,578,020.

14. Subsequent Events

In May 2008, Johnson County, Kansas, issued Internal Improvement Bonds, Series 2008A for the amount of \$30,115,000, Internal Improvement Refunding Bonds, Series 2008B for 19,485,000, Library Improvement Refunding Bonds, Series 2008C and the Public Building Commission of Johnson County, Kansas, issued Lease Purchase Revenue Bonds, Series 2008A in the amount of \$48,825,000 and also issued Lease Purchase Refunding Revenue Bonds, Series 2008B in the amount of \$5,640,000.

15. Postemployment Benefits Other Than Pensions

Plan Description

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical, dental, and vision coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the County and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs) are eligible for benefits.

The County requires retirees to pay the same premiums charged to COBRA participants for medical, dental, and vision coverage. The COBRA rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements. As of December 31, 2007, the County had 62 participating retirees and the County expended approximately \$208,937 for these benefits.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is equal to the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, plus one year's interest on the beginning balance of the net OPEB obligation, minus any adjustment to the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year and any unfunded actuarial liabilities (or funding excess) amortized over thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount contributed to the plan, and changes in the County's net OPEB obligation to the plan:

Annual Required Contribution (ARC)	\$ 3,147,579
Interest on prior year net OPEB Obligation	111,190
Adjustment to the ARC	(154,571)
Annual OPEB Cost (expense)	3,104,198
Employer Contributions	(208,937)
Increase in net OPEB obligation	2,895,261
Net Obligation at Beginning of Year	2,779,761
Net Obligation at End of Year	\$ 5,675,022

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior years are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2006	\$ 2,779,761	7.7%	\$ 2,779,761
12/31/2007	\$ 3,104,198	6.7%	\$ 5,675,022

Funded Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the funded status and funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	-	\$ 22,789,768	\$ 22,789,768	-	\$ 154,855,666	14.7%
12/31/07	-	10,080,935	10,080,935	-	161,933,134	6.2%

The reduction of the Actuarial Accrued Liability (AAL) between 2006 and 2007 is the result of a change in actuarial assumptions. The participation percentage was changed from 100%, which was used in 2006, to a more appropriate 50% for 2007.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, will present in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2007 actuarial valuation, benefit obligations are computed using the projected unit credit method. The actuarial assumptions included a 4% discount rate, an annual healthcare cost trend rate of 10% initially, reduced by 1% each year to an ultimate rate of 6% in the fifth year and beyond. Benefits are attributed to service based on the plan's benefit eligibility provisions. The beginning of the attribution period is the date of hire and the end is the full eligibility date. The unfunded actuarial accrued liability is amortized over a 30 year open period in level dollar amounts. No assets have been segregated and restricted to provide postretirement benefits.

Parks and Recreation Component Unit OPEB Information:

The following table shows the information for the Parks and Recreation component unit annual OPEB cost for the year, the amount contributed to the plan, and changes in the component unit's net OPEB obligation to the plan:

Annual Required Contribution (ARC)	\$ 202,679
Interest on prior year net OPEB Obligation	-
Adjustment to the ARC	-
Annual OPEB Cost (expense)	202,679
Employer Contributions	(10,594)
Increase in net OPEB obligation	192,085
Net Obligation at Beginning of Year	192,085
Net Obligation at End of Year	\$ 384,170

The Parks and Recreation component unit's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior years are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2006	\$ 202,679	5.2%	\$ 192,085
12/31/2007	\$ 202,679	5.2%	\$ 384,170

As of December 31, 2006, the most recent actuarial valuation date, the funded status of the Parks and Recreation component unit plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	-	\$ 1,238,400	\$ 1,238,400	-	\$ 8,011,995	15.5%
12/31/07	-	1,238,400	1,238,400	-	8,011,995	15.5%

16. Prior Period Adjustment

During fiscal year 2006, Other Post Employment Benefits was recorded in the Health Care Fund instead of the General Capital Assets and Long Term Debt Fund. Though this did not affect the 2006 Statement of Net Assets and Statement of Activities, the internal service statements, which include the Health Care Fund, were affected. A prior period adjustment was done in 2007 to remove the 2006 OPEB charge from the Health Care Fund and properly place the charge in the General Capital Assets and Long Term Debt Fund.

Nonmajor Governmental Funds

Special Revenue Funds

Developmental Supports – The Developmental Supports Fund accounts for all revenues and expenditures of the Developmental Supports agency. Developmental Supports is a community-based service agency providing a variety of vocational, employment, training, living, and case management services to persons with developmental disabilities and their families.

Library – The Library Fund accounts for all revenues and expenditures of constructing, renovating, outfitting, and operating an urban library system. The Johnson County Library system provides a community resource, which furnishes organized access to scholarly, technical, and literary experience. The Library provides materials, services, and programs to meet the needs of its patrons and enhance the quality of their lives.

Library Gift Fund – The Library Gift Fund accounts for contributions and donations by patrons and supporters of the Library intended to supplement County expenditures for staff development, resources, and other activities designed to improve the Library system.

Stream Maintenance – The Stream Maintenance Fund receives royalty payments from sand removed from the Kansas River as it flows through Johnson County. These funds can be used for the cleaning and maintenance of the Kansas River upon approval of the Kansas Division of Water Resources. These funds may also be used for the development of parklands along the Kansas River and its tributaries.

Mental Health – The Mental Health Fund accounts for all revenues and expenditures of the Mental Health agency. The Mental Health Center provides a broad range of services including 24-hour emergency services and outpatient services for individuals and families in Johnson County. Mental Health provides services to both adults and children with severe and persistent mental illness. The Center also operates a community-based treatment program for seriously disabled adults, an adult detoxification center, and a 20-bed residential treatment facility for adolescents suffering from substance abuse problems.

Register of Deeds Technology – The Register of Deeds Technology Fund may only be used by the Register of Deeds to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded or stored in the Office of the Register of Deeds.

Stormwater – The Stormwater Fund accounts for all revenues and expenditures of the Stormwater management program. The Stormwater Management agencies are responsible for distributing the proceeds of a Countywide 1/10 of one percent retail sales tax for paying the County share of Stormwater management and flood control improvements

Developer Fees – The Developer Fees Fund has been established to account for fees in-lieu-of parkland dedications from land developers in Johnson County. Expenditures are to be used for public parkland and recreation purposes, in accordance with Article 27(6)(E) of the Johnson County Zoning and Subdivision Regulations.

Public Health – The Public Health Fund accounts for all revenues and expenditures of the Public Health agency. Public Health provides a broad range of services including control and prevention of communicable disease and bioterrorism, and the promotion of health and wellness.

911 Telephone – The 911 Telephone Fund accounts for the 2% tax collected by service suppliers providing exchange telephone services. The proceeds from this tax are used to fund the 911 system throughout Johnson County.

District Attorney Forfeited Property – The District Attorney Forfeited Property Fund accounts for proceeds from property seized by the District Attorney pursuant to state and federal requirements. The proceeds are restricted for special law enforcement efforts.

Sheriff Forfeited Property – The Sheriff Forfeited Property Fund accounts for proceeds from property seized by the Sheriff pursuant to state and federal requirements. The proceeds are restricted for special law enforcement efforts.

Controlled Substance – The Controlled Substance Fund accounts for revenues from taxes on controlled substances pursuant to state statute. The proceeds are restricted for use solely for law enforcement and criminal prosecution activities.

Alcohol Tax – The Alcohol Tax Fund receives revenues from the local alcohol liquor tax authorized by the Kansas Legislature. By statute, funds must be expended for alcoholism prevention and drug abuse prevention programs.

Prosecutor Training – The Prosecutor Training Fund accounts for a portion of fees paid for court case. The fees are restricted for training of prosecuting attorney personnel.

Public Works – The Public Works Fund accounts for all revenues and expenditures of the Public Works agencies. The Public Works agency maintains and improves County roads and bridges as well as providing equipment maintenance and traffic control services. Public Works also administers the County Assisted Road System (CARS) program, which provides matching funds to cities within the County for various road and bridge projects.

Library Special Use – The Library Special Use Fund is used to finance the cost associated with planning, outfitting, and stocking new libraries and for financing capital improvement projects.

County Building – The County Building Fund accounts for the revenues and expenditures related to the acquisition of sites and to erect, construct, renovate and furnish County buildings. The fund was re-established in 2004 in accordance with Kansas Statutes, which allows an annual tax levy not to exceed one mill for a period not to exceed ten years.

911 Wireless Telephone – The 911 Wireless Telephone Fund was established on July 1, 2004 to account for the 25 cents month fee assessed on each wireless phone in Johnson County. The proceeds from the fee will be used to provide wireless 911 phone service and for equipment directly related to providing this service.

Weapons Licensure – The Weapons Licensure Fund was established on June 29, 2006 to account for the revenues and expenditures incurred by the Sheriff's office in administering the licensure applications, including the costs of finger printing for the State of Kansas for licenses for the concealed carry of firearms as authorized by the Kansas Legislature.

Equipment Reserve – The Equipment Reserve fund was established during 2004 to finance the acquisition of equipment.

Debt Service Fund – The Debt Service Fund collects property tax levied and special assessment tax levied which are used to make principal and interest payments on all general obligation and special assessment bonds with governmental commitment, certain notes and capital leases, excluding Park and Recreation bonds and debt accounted for in the proprietary funds.

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
ASSETS			
Deposits including investments	\$ 41,599,689	\$ 541,115	\$ 42,140,804
Receivables (net of allowance for uncollectibles):	63,652,865	2,291,092	65,943,957
Inventories	732,195	-	732,195
Prepays	58,928	-	58,928
Restricted cash and investments	-	4,281,620	4,281,620
Total assets	<u><u>\$ 106,043,677</u></u>	<u><u>\$ 7,113,827</u></u>	<u><u>\$ 113,157,504</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,020,819	\$ -	\$ 2,020,819
Salaries and wages payable	2,636,720	-	2,636,720
Due to others	1,410	-	1,410
Deferred revenue	61,147,271	2,291,091	63,438,362
Total liabilities	<u><u>65,806,220</u></u>	<u><u>2,291,091</u></u>	<u><u>68,097,311</u></u>
Fund Balances:			
Reserved for:			
Encumbrances	1,984,698	-	1,984,698
Prepaid items	58,928	-	58,928
Debt service	-	4,281,620	4,281,620
Unreserved:			
Designated for debt service	-	293,004	293,004
Designated for working capital	-	248,112	248,112
Unreserved	38,193,831	-	38,193,831
Total fund balances	<u><u>40,237,457</u></u>	<u><u>4,822,736</u></u>	<u><u>45,060,193</u></u>
Total liabilities and fund balances	<u><u>\$ 106,043,677</u></u>	<u><u>\$ 7,113,827</u></u>	<u><u>\$ 113,157,504</u></u>

Johnson County, Kansas

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 75,434,239	\$ 2,638,719	\$ 78,072,958
Intergovernmental	25,592,307	-	25,592,307
Charges for services	24,122,826	12,225	24,135,051
Investment earnings	4,028,429	132,500	4,160,929
Licenses and permits	881,819	-	881,819
Other	1,332,679	-	1,332,679
Total revenues	131,392,299	2,783,444	134,175,743
EXPENDITURES			
Current:			
General government	552,720	-	552,720
Public works	9,986,468	-	9,986,468
Public safety	2,091,220	-	2,091,220
Health and human services	56,920,554	-	56,920,554
Planning and economic development	15,565	-	15,565
Culture and recreation	20,443,400	-	20,443,400
Debt service:			
Principal retirement	-	3,728,208	3,728,208
Interest and fiscal charges	673	1,357,743	1,358,416
Capital Outlay	2,977,484	-	2,977,484
Total expenditures	92,988,084	5,085,951	98,074,035
Excess (deficiency) of revenues over (under) expenditures	38,404,215	(2,302,507)	36,101,708
OTHER FINANCING SOURCES (USES)			
Transfers in	2,243,834	2,111,788	4,355,622
Transfers out	(35,884,815)	-	(35,884,815)
Proceeds from capital lease	36,575		36,575
Refunding bonds issued	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources and uses	(33,604,406)	2,111,788	(31,492,618)
Net change in fund balances	4,799,809	(190,719)	4,609,090
Fund balances - beginning	35,437,648	5,013,455	40,451,103
Fund balances - ending	\$ 40,237,457	\$ 4,822,736	\$ 45,060,193

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
December 31, 2007

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Register of Deeds Technology	Stormwater
ASSETS							
Deposits including investments	\$ 3,089,100	\$ 3,112,079	\$ 387,592	\$ 56,659	\$ 4,630,678	\$ 6,682,666	\$ 2,217,579
Receivables (net of allowance for uncollectibles):	6,964,164	18,194,662	-	-	12,610,185	-	2,228,370
Inventories	-	-	-	-	-	-	-
Prepays	-	12,500	-	-	17,932	22,844	-
Total assets	\$ 10,053,264	\$ 21,319,241	\$ 387,592	\$ 56,659	\$ 17,258,795	\$ 6,705,510	\$ 4,445,949
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 173,047	\$ 441,212	\$ -	\$ -	\$ 439,393	\$ 24,550	\$ 299
Salaries and wages payable	644,136	539,051	-	-	946,246	-	12,712
Due to others	1,277	-	-	-	-	-	-
Deferred revenue	6,904,907	17,572,835	-	-	12,860,618	-	-
Total liabilities	7,723,367	18,553,098	-	-	14,246,257	24,550	13,011
Fund Balances:							
Reserved for:							
Encumbrances	113,877	24,141	-	-	92,205	512	-
Prepaid items	-	12,500	-	-	17,932	22,844	-
Unreserved	2,216,020	2,729,502	387,592	56,659	2,902,401	6,657,604	4,432,938
Total fund balances	2,329,897	2,766,143	387,592	56,659	3,012,538	6,680,960	4,432,938
Total liabilities and fund balances	\$ 10,053,264	\$ 21,319,241	\$ 387,592	\$ 56,659	\$ 17,258,795	\$ 6,705,510	\$ 4,445,949

(Continued)

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue (Continued)
December 31, 2007

	Developer Fees	Public Health	911 Telephone	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax
ASSETS							
Deposits including investments	\$ 227,156	\$ 2,908,943	\$ 4,339,294	\$ 36,548	\$ 306,136	\$ 189,309	\$ 54,414
Receivables (net of allowance for uncollectibles):	-	4,786,685	-	-	-	-	-
Inventories	-	63,789	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Total assets	\$ 227,156	\$ 7,759,417	\$ 4,339,294	\$ 36,548	\$ 306,136	\$ 189,309	\$ 54,414
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 99,560	\$ 68,482	\$ 345	-	-	\$ -
Salaries and wages payable	-	266,417	-	-	-	-	-
Due to others	-	-	-	-	-	-	-
Deferred revenue	-	4,943,442	-	-	-	-	-
Total liabilities	-	5,309,419	68,482	345	-	-	-
Fund Balances:							
Reserved for:							
Encumbrances	-	17,139	284,834	-	361	-	-
Prepaid items	-	-	-	-	-	-	-
Unreserved	227,156	2,432,859	3,985,978	36,203	305,775	189,309	54,414
Total fund balances	227,156	2,449,998	4,270,812	36,203	306,136	189,309	54,414
Total liabilities and fund balances	\$ 227,156	\$ 7,759,417	\$ 4,339,294	\$ 36,548	\$ 306,136	\$ 189,309	\$ 54,414

(Continued)

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue (Continued)
December 31, 2007

	Prosecutor Training	Public Works	Library Special Use	County Building	911 Wireless Telephone	Weapons Licensure	Equipment Reserve	Total
ASSETS								
Deposits including investments	\$ 1,617	\$ 6,529,419	\$ 1,038,737	\$ 685,055	\$ 1,716,231	\$ 82,360	\$ 3,308,117	\$ 41,599,689
Receivables (net of allowance for uncollectibles):	-	14,738,643	2,210,609	1,919,547	-	-	-	63,652,865
Inventories	-	668,406	-	-	-	-	-	732,195
Prepays	-	5,652	-	-	-	-	-	58,928
Total assets	\$ 1,617	\$ 21,942,120	\$ 3,249,346	\$ 2,604,602	\$ 1,716,231	\$ 82,360	\$ 3,308,117	\$ 106,043,677
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 133	\$ 384,877	\$ 153,536	\$ -	\$ 98,532	\$ -	\$ 136,853	\$ 2,020,819
Salaries and wages payable	-	228,158	-	-	-	-	-	2,636,720
Due to others	-	133	-	-	-	-	-	1,410
Deferred revenue	-	14,735,313	2,210,609	1,919,547	-	-	-	61,147,271
Total liabilities	133	15,348,481	2,364,145	1,919,547	98,532	-	136,853	65,806,220
Fund Balances:								
Reserved for:								
Encumbrances	-	866,866	200,741	-	33,860	-	350,162	1,984,698
Prepaid items	-	5,652	-	-	-	-	-	58,928
Unreserved	1,484	5,721,121	684,460	685,055	1,583,839	82,360	2,821,102	38,193,831
Total fund balances	1,484	6,593,639	885,201	685,055	1,617,699	82,360	3,171,264	40,237,457
Total liabilities and fund balances	\$ 1,617	\$ 21,942,120	\$ 3,249,346	\$ 2,604,602	\$ 1,716,231	\$ 82,360	\$ 3,308,117	\$ 106,043,677

Johnson County, Kansas
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Governmental Funds - Special Revenue
For the Year Ended December 31, 2007

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Register of Deeds Technology	Stormwater
REVENUES							
Taxes	\$ 6,999,653	\$ 17,800,814	\$ -	\$ -	\$ 11,408,097	\$ -	\$ 11,979,775
Intergovernmental	2,773,957	390,668	-	-	6,773,527	-	-
Charges for services	10,370,157	776,316	-	-	9,140,269	1,205,552	-
Investment earnings	280,135	507,381	17,814	-	389,598	307,715	1,930,015
Licenses and permits	-	546,904	-	-	-	-	-
Other	141,602	545,882	170,017	2,809	71,439	-	-
Total revenues	20,565,504	20,567,965	187,831	2,809	27,782,930	1,513,267	13,909,790
EXPENDITURES							
Current:							
General government	-	-	-	-	-	94,573	-
Public works	-	-	-	-	-	-	441,567
Public safety	-	-	-	-	-	-	-
Health and human services	20,649,445	-	-	-	27,288,101	-	-
Planning and economic development	-	-	-	-	-	-	-
Culture and recreation	-	19,526,771	187,027	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	673	-	-	-	-	-
Capital outlay	100,875	38,706	-	-	235,584	-	-
Total expenditures	20,750,320	19,566,150	187,027	-	27,523,685	94,573	441,567
Excess (deficiency) of revenues over (under) expenditures	(184,816)	1,001,815	804	2,809	259,245	1,418,694	13,468,223
OTHER FINANCING SOURCES (USES)							
Transfers in	-	7,475	-	-	155,012	-	-
Transfers out	-	-	-	-	(318,356)	(123,500)	(15,282,465)
Proceeds from capital lease	-	36,575	-	-	-	-	-
Total other financing sources and uses	-	44,050	-	-	(163,344)	(123,500)	(15,282,465)
Net change in fund balances	(184,816)	1,045,865	804	2,809	95,901	1,295,194	(1,814,242)
Fund balances - beginning	2,514,713	1,720,278	386,788	53,850	2,916,637	5,385,766	\$ 6,247,180
Fund balances - ending	\$ 2,329,897	\$ 2,766,143	\$ 387,592	\$ 56,659	\$ 3,012,538	\$ 6,680,960	\$ 4,432,938

(Continued)

Johnson County, Kansas
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Governmental Funds - Special Revenue (Continued)
For the Year Ended December 31, 2007

	Developer Fees	Public Health	911 Telephone	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax
REVENUES							
Taxes	\$ -	\$ 4,703,315	\$ 1,244,302	\$ -	\$ -	\$ 28,227	\$ 91,585
Intergovernmental	-	2,921,995	-	-	-	-	-
Charges for services	18,850	1,039,377	-	-	-	-	-
Investment earnings	-	-	205,230	1,727	12,524	11,530	2,289
Licenses and permits	-	220,851	-	14,510	80,204	-	-
Other	-	302,549	-	-	-	-	-
Total revenues	18,850	9,188,087	1,449,532	16,237	92,728	39,757	93,874
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	648,614	5,345	(2,656)	70,996	54,216
Health and human services	-	8,858,954	-	-	-	-	-
Planning and economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	8,858,954	648,614	5,345	(2,656)	70,996	54,216
Excess (deficiency) of revenues over (under) expenditures	18,850	329,133	800,918	10,892	95,384	(31,239)	39,658
OTHER FINANCING SOURCES (USES)							
Transfers in	6,564	-	-	-	1,019	-	-
Transfers out	-	(248,112)	-	(10,000)	-	-	(24,481)
Total other financing sources and uses	6,564	(248,112)	-	(10,000)	1,019	-	(24,481)
Net change in fund balances	25,414	81,021	800,918	892	96,403	(31,239)	15,177
Fund balances - beginning	201,742	2,368,977	3,469,894	35,311	209,733	220,548	39,237
Fund balances - ending	\$ 227,156	\$ 2,449,998	\$ 4,270,812	\$ 36,203	\$ 306,136	\$ 189,309	\$ 54,414

(Continued)

Johnson County, Kansas
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Governmental Funds - Special Revenue (Continued)
For the Year Ended December 31, 2007

	Prosecutor Training	Public Works	Library Special Use	County Building	911 Wireless Telephone	Weapons Licensure	Equipment Reserve	Total
REVENUES								
Taxes	\$ -	\$ 15,819,304	\$ 3,152,215	\$ 2,206,952	\$ -	\$ -	\$ -	\$ 75,434,239
Intergovernmental	-	12,732,160	-	-	-	-	-	25,592,307
Charges for services	-	201,785	-	-	1,370,520	-	-	24,122,826
Investment earnings	-	-	-	47,282	72,336	50,600	192,253	4,028,429
Licenses and permits	-	19,350	-	-	-	-	-	881,819
Other	20,768	77,613	-	-	-	-	-	1,332,679
Total revenues	20,768	28,850,212	3,152,215	2,254,234	1,442,856	50,600	192,253	131,392,299
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	458,147	552,720
Public works	-	9,544,901	-	-	-	-	-	9,986,468
Public safety	43,759	-	-	-	954,417	-	316,529	2,091,220
Health and welfare	-	-	-	-	-	-	124,054	56,920,554
Planning and economic development	-	-	-	-	-	-	15,565	15,565
Culture and recreation	-	-	714,209	-	-	-	15,393	20,443,400
Debt service:	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	673
Capital outlay	-	468,364	-	1,950,905	-	-	183,050	2,977,484
Total expenditures	43,759	10,013,265	714,209	1,950,905	954,417	-	1,112,738	92,988,084
Excess (deficiency) of revenues over (under) expenditures	(22,991)	18,836,947	2,438,006	303,329	488,439	50,600	(920,485)	38,404,215
OTHER FINANCING SOURCES (USES)								
Transfers in	10,000	164,906	-	221,929	-	-	1,676,929	2,243,834
Transfers out	-	(17,865,081)	(2,012,820)	-	-	-	-	(35,884,815)
Proceeds from capital lease	-	-	-	-	-	-	-	36,575
Total other financing sources and uses	10,000	(17,700,175)	(2,012,820)	221,929	-	-	1,676,929	(33,604,406)
Net change in fund balances	(12,991)	1,136,772	425,186	525,258	488,439	50,600	756,444	4,799,809
Fund balances - beginning	14,475	5,456,867	460,015	159,797	1,129,260	31,760	2,414,820	35,437,648
Fund balances - ending	\$ 1,484	\$ 6,593,639	\$ 885,201	\$ 685,055	\$ 1,617,699	\$ 82,360	\$ 3,171,264	\$ 40,237,457

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Developmental Supports Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 6,941,360	\$ 6,941,360	\$ 6,999,653	\$ 58,293
Intergovernmental	2,459,676	2,459,676	2,773,957	314,281
Charges for services	11,586,879	11,586,879	10,370,157	(1,216,722)
Investment earnings	283,599	283,599	280,135	(3,464)
Other	91,148	91,148	141,602	50,454
Total revenues	21,362,662	21,362,662	20,565,504	(797,158)
EXPENDITURES				
Current:				
Health and welfare	21,115,438	21,115,438	20,709,570	405,868
Capital outlay	247,224	247,224	100,875	146,349
Reserves	3,200,616	3,200,616	-	3,200,616
Total expenditures	24,563,278	24,563,278	20,810,445	3,752,833
Excess (deficiency) of revenues over (under) expenditures	(3,200,616)	(3,200,616)	(244,941)	2,955,675
Net change in fund balances	(3,200,616)	(3,200,616)	(244,941)	\$ 2,955,675
Fund balances - beginning	3,200,616	3,200,616	2,460,961	
Fund balances - ending	\$ -	\$ -	\$ 2,216,020	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Library Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 17,706,253	\$ 17,706,253	\$ 17,800,814	\$ 94,561
Intergovernmental	494,057	743,957	390,668	(353,289)
Charges for services	114,419	114,419	776,316	661,897
Investment earnings	266,236	266,236	423,395	157,159
Licenses and permits	585,000	585,000	546,904	(38,096)
Other	242,339	342,339	545,882	203,543
Total revenues	<u>19,408,304</u>	<u>19,758,204</u>	<u>20,483,979</u>	<u>725,775</u>
EXPENDITURES				
Current:				
Culture and recreation	19,445,861	19,821,833	19,530,154	291,679
Capital outlay	132,443	132,443	2,131	130,312
Reserves	1,267,354	1,241,282	-	1,241,282
Total expenditures	<u>20,845,658</u>	<u>21,195,558</u>	<u>19,532,285</u>	<u>1,663,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,437,354)</u>	<u>(1,437,354)</u>	<u>951,694</u>	<u>2,389,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	7,475	7,475
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>7,475</u>	<u>7,475</u>
Net change in fund balances	<u>(1,437,354)</u>	<u>(1,437,354)</u>	<u>959,169</u>	<u>\$ 2,396,523</u>
Fund balances - beginning	<u>1,437,354</u>	<u>1,437,354</u>	<u>1,702,702</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,661,871</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Stream Maintenance Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other	\$ 5,000	\$ 5,000	\$ 2,809	\$ (2,191)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,809</u>	<u>(2,191)</u>
EXPENDITURES				
Reserves	50,517	50,517	-	50,517
Total expenditures	<u>50,517</u>	<u>50,517</u>	<u>-</u>	<u>50,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,517)</u>	<u>(45,517)</u>	<u>2,809</u>	<u>48,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	-	5,000
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	<u>(50,517)</u>	<u>(50,517)</u>	<u>2,809</u>	<u>\$ 53,326</u>
Fund balances - beginning	<u>50,517</u>	<u>50,517</u>	<u>53,850</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,659</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Mental Health Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 11,302,373	\$ 11,302,373	\$ 11,408,097	\$ 105,724
Intergovernmental	3,508,872	3,508,872	6,773,527	3,264,655
Charges for services	13,336,350	13,336,350	9,140,269	(4,196,081)
Investment earnings	246,558	246,558	389,598	143,040
Other	135,282	135,282	71,439	(63,843)
Total revenues	<u>28,529,435</u>	<u>28,529,435</u>	<u>27,782,930</u>	<u>(746,505)</u>
EXPENDITURES				
Current:				
Health and welfare	28,513,649	28,630,634	27,359,388	1,271,246
Capital outlay	83,200	83,200	235,584	(152,384)
Reserves	2,010,331	1,893,346	-	1,893,346
Total expenditures	<u>30,607,180</u>	<u>30,607,180</u>	<u>27,594,972</u>	<u>3,012,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,077,745)</u>	<u>(2,077,745)</u>	<u>187,958</u>	<u>2,265,703</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	158,045	158,045	155,012	(3,033)
Transfers out	(320,089)	(320,089)	(318,356)	1,733
Total other financing sources and uses	<u>(162,044)</u>	<u>(162,044)</u>	<u>(163,344)</u>	<u>(1,300)</u>
Net change in fund balances	<u>(2,239,789)</u>	<u>(2,239,789)</u>	<u>24,614</u>	<u>\$ 2,264,403</u>
Fund balances - beginning	<u>2,239,789</u>	<u>2,239,789</u>	<u>2,895,718</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,920,332</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Stormwater Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 11,607,707	\$ 11,607,707	\$ 11,979,775	\$ 372,068
Investment earnings	752,407	752,407	1,215,951	463,544
Total revenues	<u>12,360,114</u>	<u>12,360,114</u>	<u>13,195,726</u>	<u>835,612</u>
EXPENDITURES				
Current:				
Public works	577,649	577,649	441,567	136,082
Reserves	1,184,398	1,184,398	-	1,184,398
Total expenditures	<u>1,762,047</u>	<u>1,762,047</u>	<u>441,567</u>	<u>1,320,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,598,067</u>	<u>10,598,067</u>	<u>12,754,159</u>	<u>2,156,092</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,282,465)	(15,282,465)	(15,282,465)	-
Total other financing sources and uses	<u>(15,282,465)</u>	<u>(15,282,465)</u>	<u>(15,282,465)</u>	<u>-</u>
Net change in fund balances	<u>(4,684,398)</u>	<u>(4,684,398)</u>	<u>(2,528,306)</u>	<u>\$ 2,156,092</u>
Fund balances - beginning	<u>4,684,398</u>	<u>4,684,398</u>	<u>5,648,972</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,120,666</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Developer Fees Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 9,800	\$ 9,800	\$ 18,850	\$ 9,050
Total revenues	<u>9,800</u>	<u>9,800</u>	<u>18,850</u>	<u>9,050</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	-	-
Reserves	201,742	201,742	-	201,742
Total expenditures	<u>201,742</u>	<u>201,742</u>	<u>-</u>	<u>201,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,942)</u>	<u>(191,942)</u>	<u>18,850</u>	<u>210,792</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,564	6,564
Transfers out	(9,800)	(9,800)	-	9,800
Total other financing sources and uses	<u>(9,800)</u>	<u>(9,800)</u>	<u>6,564</u>	<u>16,364</u>
Net change in fund balances	<u>(201,742)</u>	<u>(201,742)</u>	<u>25,414</u>	<u>\$ 227,156</u>
Fund balances - beginning	<u>201,742</u>	<u>201,742</u>	<u>201,742</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,156</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Public Health Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 4,659,051	\$ 4,659,051	\$ 4,703,315	\$ 44,264
Intergovernmental	3,296,000	3,296,000	2,921,995	(374,005)
Charges for services	883,479	883,479	1,039,377	155,898
Licenses and permits	216,105	216,105	220,851	4,746
Other	7,135	7,135	302,549	295,414
Total revenues	<u>9,061,770</u>	<u>9,061,770</u>	<u>9,188,087</u>	<u>126,317</u>
EXPENDITURES				
Current:				
Health and welfare	9,211,770	9,211,770	8,871,773	339,997
Capital outlay	-	-	-	-
Reserves	1,452,288	1,452,288	-	1,452,288
Total expenditures	<u>10,664,058</u>	<u>10,664,058</u>	<u>8,871,773</u>	<u>1,792,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,602,288)</u>	<u>(1,602,288)</u>	<u>316,314</u>	<u>1,918,602</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(248,112)	(248,112)	(248,112)	-
Total other financing sources and uses	<u>(248,112)</u>	<u>(248,112)</u>	<u>(248,112)</u>	<u>-</u>
Net change in fund balances	<u>(1,850,400)</u>	<u>(1,850,400)</u>	<u>68,202</u>	<u>\$ 1,918,602</u>
Fund balances - beginning	<u>1,850,400</u>	<u>1,850,400</u>	<u>2,300,868</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,369,070</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
911 Telephone Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,244,302	\$ (55,698)
Investment earnings	92,604	92,604	205,230	112,626
Total revenues	<u>1,392,604</u>	<u>1,392,604</u>	<u>1,449,532</u>	<u>56,928</u>
EXPENDITURES				
Current:				
Public safety	830,320	830,320	897,397	(67,077)
Capital outlay	400,000	400,000	-	400,000
Reserves	2,528,984	2,528,984	-	2,528,984
Total expenditures	<u>3,759,304</u>	<u>3,759,304</u>	<u>897,397</u>	<u>2,861,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,366,700)</u>	<u>(2,366,700)</u>	<u>552,135</u>	<u>\$ 2,918,835</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(162,284)	(162,284)	-	162,284
Total other financing sources and uses	<u>(162,284)</u>	<u>(162,284)</u>	<u>-</u>	<u>162,284</u>
Net change in fund balances	<u>(2,528,984)</u>	<u>(2,528,984)</u>	<u>552,135</u>	<u>\$ 3,081,119</u>
Fund balances - beginning	<u>2,528,984</u>	<u>2,528,984</u>	<u>3,433,843</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,985,978</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
District Attorney Forfeited Property Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,727	\$ 1,727
Licenses and permits	35,000	35,000	14,510	(20,490)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>16,237</u>	<u>(18,763)</u>
EXPENDITURES				
Current:				
Public safety	35,000	35,000	5,345	29,655
Reserves	31,941	31,941	-	31,941
Total expenditures	<u>66,941</u>	<u>66,941</u>	<u>5,345</u>	<u>61,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,941)</u>	<u>(31,941)</u>	<u>10,892</u>	<u>42,833</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	(10,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net change in fund balances	<u>(31,941)</u>	<u>(31,941)</u>	<u>892</u>	<u>\$ 32,833</u>
Fund balances - beginning	<u>31,941</u>	<u>31,941</u>	<u>35,311</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,203</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Sheriff Forfeited Property Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment earnings	\$ 12,733	\$ 12,733	\$ 12,524	\$ (209)
Licenses and permits	50,000	50,000	80,204	30,204
Total revenues	<u>62,733</u>	<u>62,733</u>	<u>92,728</u>	<u>29,995</u>
EXPENDITURES				
Current:				
Public safety	184,497	184,497	(2,656)	187,153
Total expenditures	<u>184,497</u>	<u>184,497</u>	<u>(2,656)</u>	<u>187,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(121,764)</u>	<u>(121,764)</u>	<u>95,384</u>	<u>217,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,019	1,019
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>1,019</u>	<u>1,019</u>
Net change in fund balances	<u>(121,764)</u>	<u>(121,764)</u>	<u>96,403</u>	<u>\$ 218,167</u>
Fund balances - beginning	<u>121,764</u>	<u>121,764</u>	<u>209,371</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,774</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Controlled Substance Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 19,000	\$ 19,000	\$ 28,227	\$ 9,227
Investment earnings	6,945	6,945	11,530	4,585
Total revenues	<u>25,945</u>	<u>25,945</u>	<u>39,757</u>	<u>13,812</u>
EXPENDITURES				
Current:				
Public safety	251,130	251,130	70,996	180,134
Reserves	-	-	-	-
Total expenditures	<u>251,130</u>	<u>251,130</u>	<u>70,996</u>	<u>180,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,185)</u>	<u>(225,185)</u>	<u>(31,239)</u>	<u>193,946</u>
Net change in fund balances	<u>(225,185)</u>	<u>(225,185)</u>	<u>(31,239)</u>	<u>\$ 193,946</u>
Fund balances - beginning	<u>225,185</u>	<u>225,185</u>	<u>220,548</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,309</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Alcohol Tax Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 78,697	\$ 78,697	\$ 91,585	\$ 12,888
Investment earnings	-	-	2,289	2,289
Total revenues	<u>78,697</u>	<u>78,697</u>	<u>93,874</u>	<u>15,177</u>
EXPENDITURES				
Current:				
Public safety	55,699	55,699	54,216	1,483
Reserves	21,530	21,530	-	21,530
Total expenditures	<u>77,229</u>	<u>77,229</u>	<u>54,216</u>	<u>23,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,468</u>	<u>1,468</u>	<u>39,658</u>	<u>38,190</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(22,998)	(22,998)	(24,481)	(1,483)
Total other financing sources and uses	<u>(22,998)</u>	<u>(22,998)</u>	<u>(24,481)</u>	<u>(1,483)</u>
Net change in fund balances	<u>(21,530)</u>	<u>(21,530)</u>	<u>15,177</u>	<u>\$ 36,707</u>
Fund balances - beginning	<u>21,530</u>	<u>21,530</u>	<u>39,237</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,414</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Prosecutor Training Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Other	-	-	20,768	20,768
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>20,768</u>	<u>(29,232)</u>
EXPENDITURES				
Current:				
Public safety	50,000	50,000	43,759	6,241
Reserves	7,793	7,793	-	7,793
Total expenditures	<u>57,793</u>	<u>57,793</u>	<u>43,759</u>	<u>14,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,793)</u>	<u>(7,793)</u>	<u>(22,991)</u>	<u>(15,198)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,000	10,000
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balances	<u>(7,793)</u>	<u>(7,793)</u>	<u>(12,991)</u>	<u>\$ (5,198)</u>
Fund balances - beginning	<u>7,793</u>	<u>7,793</u>	<u>14,475</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,484</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Public Works Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 15,710,039	\$ 15,710,039	\$ 15,819,304	\$ 109,265
Intergovernmental	12,328,740	12,328,740	12,732,160	403,420
Charges for services	161,469	161,469	201,785	40,316
Licenses and permits	18,360	18,360	19,350	990
Other	8,424	8,424	77,613	69,189
Total revenues	<u>28,227,032</u>	<u>28,227,032</u>	<u>28,850,212</u>	<u>623,180</u>
EXPENDITURES				
Current:				
Public works	10,944,144	10,841,021	9,407,846	1,433,175
Capital outlay	702,275	939,466	1,038,132	(98,666)
Reserves	2,611,982	2,314,083	-	2,314,083
Total expenditures	<u>14,258,401</u>	<u>14,094,570</u>	<u>10,445,978</u>	<u>3,648,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,968,631</u>	<u>14,132,462</u>	<u>18,404,234</u>	<u>4,271,772</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	139,495	139,495	164,906	25,411
Transfers out	(17,700,000)	(17,863,831)	(17,865,081)	(1,250)
Total other financing sources and uses	<u>(17,560,505)</u>	<u>(17,724,336)</u>	<u>(17,700,175)</u>	<u>24,161</u>
Net change in fund balances	<u>(3,591,874)</u>	<u>(3,591,874)</u>	<u>704,059</u>	<u>\$ 4,295,933</u>
Fund balances - beginning	<u>3,591,874</u>	<u>3,591,874</u>	<u>4,354,308</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,058,367</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Library Special Use Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,140,842	\$ 3,140,842	\$ 3,152,215	\$ 11,373
Total revenues	<u>3,140,842</u>	<u>3,140,842</u>	<u>3,152,215</u>	<u>11,373</u>
EXPENDITURES				
Current:				
Culture and recreation	688,630	701,965	842,444	(140,479)
Capital outlay	251,614	251,614	-	251,614
Reserves	192,121	178,786	-	178,786
Total expenditures	<u>1,132,365</u>	<u>1,132,365</u>	<u>842,444</u>	<u>289,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,008,477</u>	<u>2,008,477</u>	<u>2,309,771</u>	<u>301,294</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,286,732)	(2,286,732)	(2,012,820)	273,912
Total other financing sources and uses	<u>(2,286,732)</u>	<u>(2,286,732)</u>	<u>(2,012,820)</u>	<u>273,912</u>
Net change in fund balances	<u>(278,255)</u>	<u>(278,255)</u>	<u>296,951</u>	<u>\$ 575,206</u>
Fund balances - beginning	<u>278,255</u>	<u>278,255</u>	<u>387,510</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,461</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
County Building Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
REVENUES				
Taxes	\$ 2,190,963	\$ 2,190,963	\$ 2,206,952	\$ 15,989
Investment earnings	57,877	57,877	47,282	(10,595)
Total revenues	<u>2,248,840</u>	<u>2,248,840</u>	<u>2,254,234</u>	<u>5,394</u>
EXPENDITURES				
Capital outlay	2,470,769	2,470,769	1,950,905	519,864
Reserves	160,173	160,173	-	160,173
Total expenditures	<u>2,630,942</u>	<u>2,630,942</u>	<u>1,950,905</u>	<u>680,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(382,102)</u>	<u>(382,102)</u>	<u>303,329</u>	<u>685,431</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	221,929	221,929	221,929	-
Total other financing sources and uses	<u>221,929</u>	<u>221,929</u>	<u>221,929</u>	<u>-</u>
Net change in fund balances	<u>(160,173)</u>	<u>(160,173)</u>	<u>525,258</u>	<u>\$ 685,431</u>
Fund balances - beginning	<u>160,173</u>	<u>160,173</u>	<u>159,797</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 685,055</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
911 Wireless Telephone Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 967,572	\$ 967,572	\$ 1,370,520	\$ 402,948
Investment earnings	34,726	34,726	72,336	37,610
Total revenues	1,002,298	1,002,298	1,442,856	440,558
EXPENDITURES				
Public safety	775,200	775,200	818,277	(43,077)
Reserves	515,499	515,499	-	515,499
Total expenditures	1,290,699	1,290,699	818,277	472,422
Excess (deficiency) of revenues over (under) expenditures	(288,401)	(288,401)	624,579	912,980
OTHER FINANCING SOURCES (USES)				
Transfers out	(227,098)	(227,098)	-	227,098
Total other financing sources and uses	(227,098)	(227,098)	-	227,098
Net change in fund balances	(515,499)	(515,499)	624,579	\$ 1,140,078
Fund balances - beginning	515,499	515,499	959,260	
Fund balances - ending	\$ -	\$ -	\$ 1,583,839	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Weapons Licensure Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ -	\$ 48,000	\$ 50,600	\$ 2,600
Total revenues	<u>-</u>	<u>48,000</u>	<u>50,600</u>	<u>2,600</u>
EXPENDITURES				
Public safety	-	48,000	-	48,000
Reserves	-	-	-	-
Total expenditures	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>50,600</u>	<u>50,600</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>50,600</u>	<u>\$ 50,600</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>31,760</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,360</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 2,614,621	\$ 2,614,621	\$ 2,638,719	\$ 24,098
Charges for services	11,077	11,077	12,225	1,148
Investment earnings	163,238	163,238	132,500	(30,738)
Total revenues	<u>2,788,936</u>	<u>2,788,936</u>	<u>2,783,444</u>	<u>(5,492)</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal retirement	5,172,081	5,172,081	3,728,208	1,443,873
Interest and fiscal charges	-	-	1,357,743	(1,357,743)
Reserves	5,029,136	5,029,136	-	5,029,136
Total expenditures	<u>10,201,217</u>	<u>10,201,217</u>	<u>5,085,951</u>	<u>5,115,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,412,281)</u>	<u>(7,412,281)</u>	<u>(2,302,507)</u>	<u>5,109,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,383,145	2,383,145	2,111,788	(271,357)
Transfer out	-	-	-	-
Total other financing sources and uses	<u>2,383,145</u>	<u>2,383,145</u>	<u>2,111,788</u>	<u>(271,357)</u>
Net change in fund balances	<u>(5,029,136)</u>	<u>(5,029,136)</u>	<u>(190,719)</u>	<u>\$ 4,838,417</u>
Fund balances - beginning	<u>5,029,136</u>	<u>5,029,136</u>	<u>5,013,455</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,822,736</u>	

Nonmajor Proprietary Funds

Enterprise Funds

Airport – The Airport Fund accounts for all revenues and expenses of the Airport agency, as directed by the Johnson County Airport Commission. The Airport Commission's primary purpose is two-fold: 1) to develop and operate a system of air transportation facilities that will serve the aviation needs of the region; and 2) to develop and operate an industrial real estate development program that contributes to the economic base of the community. Revenues are derived from hangar rentals, user charges and County tax support. Expenses are for the construction, renovation and operation of two airports and an industrial park with water utility and rail service.

Transportation – The Transportation Fund accounts for all revenues and expenses of the transit and commuter rail programs. The primary purpose of this fund is to implement countywide public transportation services. Revenues are primarily from Federal and State grants and County support.

Internal Service Funds

Risk Management - The Risk Management Fund provides for the procurement, administration, and claims handling of property, liability and workers compensation coverage for the County. This Fund maintains reserves to reimburse the County or County agencies for insurable losses not otherwise insured.

Self-Insured Health Care – The Self-Insured Health Care Fund is used to pool the resources accumulated from the various health (medical, dental and vision) coverage premiums paid by employees through payroll deduction and those paid by the County. These resources are used to pay the expenses related to health care coverage.

Johnson County, Kansas
Combining Statement of Net Assets
Non-Major Enterprise Funds
December 31, 2007

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
ASSETS			
Current assets:			
Deposits including investments	\$ 3,514,359	\$ 4,689,290	\$ 8,203,649
Receivables (net of allowance for uncollectibles):	41,186	1,018,932	1,060,118
Due from other funds	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total current assets	3,555,545	5,708,222	9,263,767
Noncurrent assets:			
Capital assets:			
Land	4,595,178	-	4,595,178
Buildings	14,575,148	-	14,575,148
Improvements other than buildings	25,731,598	-	25,731,598
Machinery and equipment	2,588,438	8,639,973	11,228,411
Infrastructure	191,641	-	191,641
Construction in progress	372,110	-	372,110
Less accumulated depreciation	(21,624,911)	(4,630,466)	(26,255,377)
Total noncurrent assets	26,429,202	4,009,507	30,438,709
TOTAL ASSETS	29,984,747	9,717,729	39,702,476

Johnson County, Kansas
Combining Statement of Net Assets
Non-Major Enterprise Funds
December 31, 2007

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
LIABILITIES			
Current liabilities			
Accounts payable	96,549	653,297	749,846
Salaries and wages payable	46,173	29,283	75,456
Interest payable	59,263	-	59,263
Loans payable	43,515	-	43,515
Due to other funds	423,134	-	423,134
Due to others	35,173	-	35,173
Deferred Revenue	101,987	670,774	772,761
Compensated absences	10,531	6,307	16,838
Insurance claims payable	-	-	-
Bonds, capital leases, and other payables	667,977	-	667,977
Total current liabilities	1,484,302	1,359,661	2,843,963
Noncurrent liabilities:			
Compensated absences	117,315	70,252	187,567
Loans payable	152,411	-	152,411
Bonds, capital leases, and other payables	3,447,591	-	3,447,591
Total noncurrent liabilities	3,717,317	70,252	3,787,569
TOTAL LIABILITIES	5,201,619	1,429,913	6,631,532
NET ASSETS			
Invested in capital assets, net of related debt	22,117,708	4,009,507	26,127,215
Restricted	-	-	-
Unrestricted	2,665,420	4,278,309	6,943,729
TOTAL NET ASSETS	\$ 24,783,128	\$ 8,287,816	\$ 33,070,944

Johnson County, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-Major Enterprise Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
Operating revenues:			
Charges for services	\$ 1,316,992	\$ 699,893	\$ 2,016,885
Other	3,240,417	290,097	3,530,514
Total operating revenues	4,557,409	989,990	5,547,399
Operating expenses:			
Public works	-	-	-
Transportation	3,188,825	7,572,072	10,760,897
Health and welfare	-	-	-
Central stores	-	-	-
Risk management	-	-	-
Self-insured health care	-	-	-
Depreciation	1,423,521	1,162,362	2,585,883
Total operating expenses	4,612,346	8,734,434	13,346,780
Operating income (loss)	(54,937)	(7,744,444)	(7,799,381)
Nonoperating revenues (expenses):			
Taxes	2,610	-	2,610
Investment earnings	42,102	-	42,102
Intergovernmental	898,357	4,350,088	5,248,445
Interest expense	(217,246)	-	(217,246)
Other	(7)	-	(7)
Total nonoperating revenues (expenses)	725,816	4,350,088	5,075,904
Income (loss) before transfers	670,879	(3,394,356)	(2,723,477)
Transfers in			
Change in net assets	-	4,449,164	4,449,164
Total net assets - beginning	670,879	1,054,808	1,725,687
Total net assets - ending	24,112,249	7,233,008	31,345,257
Total net assets - ending	\$ 24,783,128	\$ 8,287,816	\$ 33,070,944

Johnson County, Kansas
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,432,400	\$ 1,098,611	\$ 2,531,011
Cash payments for goods and services	(2,427,127)	(6,966,029)	(9,393,156)
Cash payments to employees for services	(1,037,438)	(919,813)	(1,957,251)
Other operating cash receipts	3,191,267	290,097	3,481,364
Net cash provided by (used for) operating activities	1,159,102	(6,497,134)	(5,338,032)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Taxes	2,610	-	2,610
Intergovernmental	898,357	4,350,088	5,248,445
Transfers from other funds	-	4,449,164	4,449,164
Net cash provided by noncapital financing activities	900,967	8,799,252	9,700,219
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,157,842)	(1,226,194)	(2,384,036)
Proceeds from sales of capital assets	-	-	-
Proceeds from bonds and loans	-	-	-
Principal paid on bonds, notes and loans	(712,865)	-	(712,865)
Interest paid on bonds, notes and loans	(213,294)	-	(213,294)
Net cash provided by (used for) capital and related financing activities	(2,084,001)	(1,226,194)	(3,310,195)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	42,102	-	42,102
Net cash provided by investing activities	42,102	-	42,102
Net increase in cash and cash equivalents	18,170	1,075,924	1,094,094
Cash and cash equivalents at beginning of year	3,496,189	3,613,366	7,109,555
Cash and cash equivalents at end of year	\$ 3,514,359	\$ 4,689,290	\$ 8,203,649

(Continued)

Johnson County, Kansas
Combining Statement of Cash Flows
Non-Major Enterprise Funds (Continued)
For the year ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	TOTAL
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (54,937)	\$ (7,744,444)	\$ (7,799,381)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,423,521	1,162,362	2,585,883
Changes in assets and liabilities:			
Decrease in accounts receivable	115,408	(40,554)	74,854
Increase (decrease) in accounts payable	(299,410)	(346,779)	(646,189)
Increase (decrease) in salaries and wages payable	11,216	10,989	22,205
(Decrease) in deferred revenue	(49,150)	439,272	390,122
Increase (decrease) in compensated absences payable	12,454	22,020	34,474
Total adjustments	1,214,039	1,247,310	2,461,349
Net cash provided by (used for) operating activities	\$ 1,159,102	\$ (6,497,134)	\$ (5,338,032)

Johnson County, Kansas
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	Risk Management	Self-Insured Health Care	Total
ASSETS			
Current assets:			
Deposits including investments	\$ 10,574,616	\$ 30,161,671	\$ 40,736,287
Prepaid items	56,873	-	56,873
Total current assets	10,631,489	30,161,671	40,793,160
Noncurrent assets:			
Capital assets:			
Machinery and equipment	18,317	-	18,317
Less accumulated depreciation	(17,401)	-	(17,401)
Total noncurrent assets	916	-	916
TOTAL ASSETS	10,632,405	30,161,671	40,794,076
LIABILITIES			
Current liabilities			
Accounts payable	42,077	3,654,384	3,696,461
Salaries and wages payable	13,479	5,105	18,584
Compensated absences	3,079	714	3,793
Insurance claims payable	2,031,114	1,594,308	3,625,422
Bonds, capital leases, and other payables	-	-	-
Total current liabilities	2,089,749	5,254,511	7,344,260
Noncurrent liabilities:			
Compensated absences	34,291	7,955	42,246
Bonds, capital leases, and other payables	-	-	-
Total noncurrent liabilities	34,291	7,955	42,246
TOTAL LIABILITIES	2,124,040	5,262,466	7,386,506
NET ASSETS			
Invested in capital assets	916	-	916
Unrestricted	8,507,449	24,899,205	33,406,654
TOTAL NET ASSETS	\$ 8,508,365	\$ 24,899,205	\$ 33,407,570

Johnson County, Kansas
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2007

	Risk Management	Self-Insured Health Care	Total
Operating revenues:			
Charges for services	\$ -	\$ 25,788,501	\$ 25,788,501
Insurance premiums	3,954,533	-	3,954,533
Other	18,793	-	18,793
Total operating revenues	3,973,326	25,788,501	29,761,827
Operating expenses:			
Personal services	302,006	106,995	409,001
Contractual services	2,939,418	26,732,875	29,672,293
Commodities	14,493	15,012	29,505
Depreciation	3,663	-	3,663
Total operating expenses	3,259,580	26,854,882	30,114,462
Operating income (loss)	713,746	(1,066,381)	(352,635)
Nonoperating revenues (expenses):			
Taxes	3,161	-	3,161
Investment earnings	551,478	1,496,713	2,048,191
Interest expense	-	-	-
Total nonoperating revenues (expenses)	554,639	1,496,713	2,051,352
Income (loss) before transfers	1,268,385	430,332	1,698,717
Transfers Out	-	-	-
Change in net assets	1,268,385	430,332	1,698,717
Total net assets - beginning	7,239,980	21,689,112	28,929,092
Prior period adjustments	-	2,779,761	2,779,761
Total net assets - beginning as restated	7,239,980	24,468,873	31,708,853
Total net assets - ending	\$ 8,508,365	\$ 24,899,205	\$ 33,407,570

Johnson County, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2007

	Risk Management	Self-Insured Health Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ -	\$ 25,788,501	\$ 25,788,501
Cash payments for goods and services	(2,994,742)	(26,130,769)	(29,125,511)
Cash payments to employees for services	(307,099)	(102,130)	(409,229)
Other operating cash receipts	3,973,326	-	3,973,326
Net cash provided by (used for) operating activities	671,485	(444,398)	227,087
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Taxes	3,161	-	3,161
Transfers to other funds	-	-	-
Net cash provided by noncapital financing activities	3,161	-	3,161
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	-	-	-
Interest paid on leases	-	-	-
Net cash provided by capital financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	551,478	1,496,713	2,048,191
Net cash provided by investing activities	551,478	1,496,713	2,048,191
Net increase (decrease) in cash and cash equivalents	1,226,124	1,052,315	2,278,439
Cash and cash equivalents at beginning of year	9,348,492	29,109,356	38,457,848
Cash and cash equivalents at end of year	\$ 10,574,616	\$ 30,161,671	\$ 40,736,287

(Continued)

Johnson County, Kansas
Combining Statement of Cash Flows
Internal Service Funds (Continued)
For the year ended December 31, 2007

	Risk Management	Self-Insured Health Care	Total
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 713,746	\$ (1,066,381)	\$ (352,635)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	3,663	-	3,663
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) in inventories	-	-	-
(Increase) in prepaid expenses	(621)	-	(621)
(Decrease) in accounts payable	12,939	611,590	624,529
Increase in salaries and wages payable	3,163	1,941	5,104
Increase in compensated absences payable	(8,256)	2,924	(5,332)
Increase in insurance claims payable	(53,149)	5,528	(47,621)
Total adjustments	(42,261)	621,983	579,722
Net cash provided by (used for) operating activities	\$ 671,485	\$ (444,398)	\$ 227,087

Fiduciary Funds

Fiduciary Funds include all Agency Funds which account for assets held by the County as an agent for individuals or other governmental units.

Medical Reimbursement – This fund holds all monies of those County employees who have chosen to designate certain deductions from their salary for the explicit purpose of medical claims or dependent care.

Inmate – This fund holds and administers the combined accounts of the prisoners of the jail. The accounts are owned by the prisoners, and the County acts only as a custodian of these accounts.

Fire Districts – This fund collects tax monies assessed for the general obligation debt of the fire districts.

Tax Collection – This fund collects and distributes taxes for distribution to other County funds and other governmental units.

Johnson County, Kansas
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2007

	Medical Reimbursement	Inmate	Fire Districts	Tax Collection	Totals
ASSETS					
Deposits including investments	\$ 158,610	\$ 184,849	\$ 120,448	\$ 530,763,223	\$ 531,227,130
Receivables (net of allowance for uncollectibles):	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivable	-	-	384,651	400,425,100	400,809,751
Total assets	158,610	184,849	505,099	931,188,323	932,036,881
LIABILITIES					
Accounts payable	52,716	-	-	441,543	494,259
Agency obligations	105,894	184,849	505,099	930,746,780	931,542,622
Total liabilities	\$ 158,610	\$ 184,849	\$ 505,099	\$ 931,188,323	\$ 932,036,881

Johnson County, Kansas
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
Medical Reimbursement Fund				
ASSETS				
Deposits including investments	\$ 137,343	\$ 1,292,923	\$ 1,271,655	\$ 158,610
Total assets	\$ 137,343	1,292,923	1,271,655	\$ 158,610
LIABILITIES				
Accounts payable	48,145	1,280,442	1,285,013	52,716
Agency obligations	89,198	1,272,904	1,289,600	105,894
Total liabilities	\$ 137,343	\$ 2,553,346	\$ 2,574,613	\$ 158,610
Inmate Fund				
ASSETS				
Deposits including investments	\$ 71,698	\$ 263,471	\$ 150,320	\$ 184,849
Total assets	\$ 71,698	\$ 263,471	\$ 150,320	\$ 184,849
LIABILITIES				
Agency obligations	71,698	150,320	263,471	184,849
Total liabilities	\$ 71,698	\$ 150,320	\$ 263,471	\$ 184,849
Fire Districts Fund				
ASSETS				
Deposits including investments	\$ 14,525	\$ 578,679	\$ 472,756	\$ 120,448
Taxes receivable	531,245	384,651	531,245	384,651
Total assets	\$ 545,770	\$ 963,330	\$ 1,004,001	\$ 505,099
LIABILITIES				
Agency obligations	545,770	2,503,509	2,462,838	505,099
Total liabilities	\$ 545,770	\$ 2,503,509	\$ 2,462,838	\$ 505,099
Tax Collection Fund				
ASSETS				
Deposits including investments	\$ 509,940,377	\$ 1,803,545,205	\$ 1,782,722,359	\$ 530,763,223
Taxes receivable	372,397,071	436,007,984	407,979,955	400,425,100
Total assets	\$ 882,337,448	\$ 2,239,553,189	\$ 2,190,702,314	\$ 931,188,323
LIABILITIES				
Accounts payable	\$ 12,932	\$ 980,330,386	\$ 980,758,997	\$ 441,543
Agency obligations	882,324,516	2,749,893,773	2,798,316,037	930,746,780
Total liabilities	\$ 882,337,448	\$ 3,730,224,159	\$ 3,779,075,034	\$ 931,188,323
Totals - All Agency Funds				
ASSETS				
Deposits including investments	\$ 510,163,943	\$ 1,805,680,278	\$ 1,784,617,091	\$ 531,227,130
Accounts receivable	-	-	-	-
Taxes receivable	372,928,316	436,392,635	408,511,200	400,809,751
Total assets	\$ 883,092,259	\$ 2,242,072,913	\$ 2,193,128,291	\$ 932,036,881
LIABILITIES				
Accounts payable	\$ 61,077	\$ 981,610,828	\$ 982,044,010	\$ 494,259
Agency obligations	883,031,182	2,753,820,506	2,802,331,946	931,542,622
Total liabilities	\$ 883,092,259	\$ 3,735,431,334	\$ 3,784,375,956	\$ 932,036,881

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STATISTICAL SECTION

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Statistical Section

The Statistical Section of the Johnson County Comprehensive Annual Financial Report presents detailed information to further understand the information in the financial statements, note disclosures, and required supplementary information. The purpose of this section is to give an indication of the County's overall financial health.

Financial Trends – Provides information to assist readers in understanding how the County's financial performance has changed over time.

Revenue Capacity – Provides information about the County's revenue sources.

Debt Capacity – Presents information to help the reader understand the County's debt burden and ability to issue additional debt.

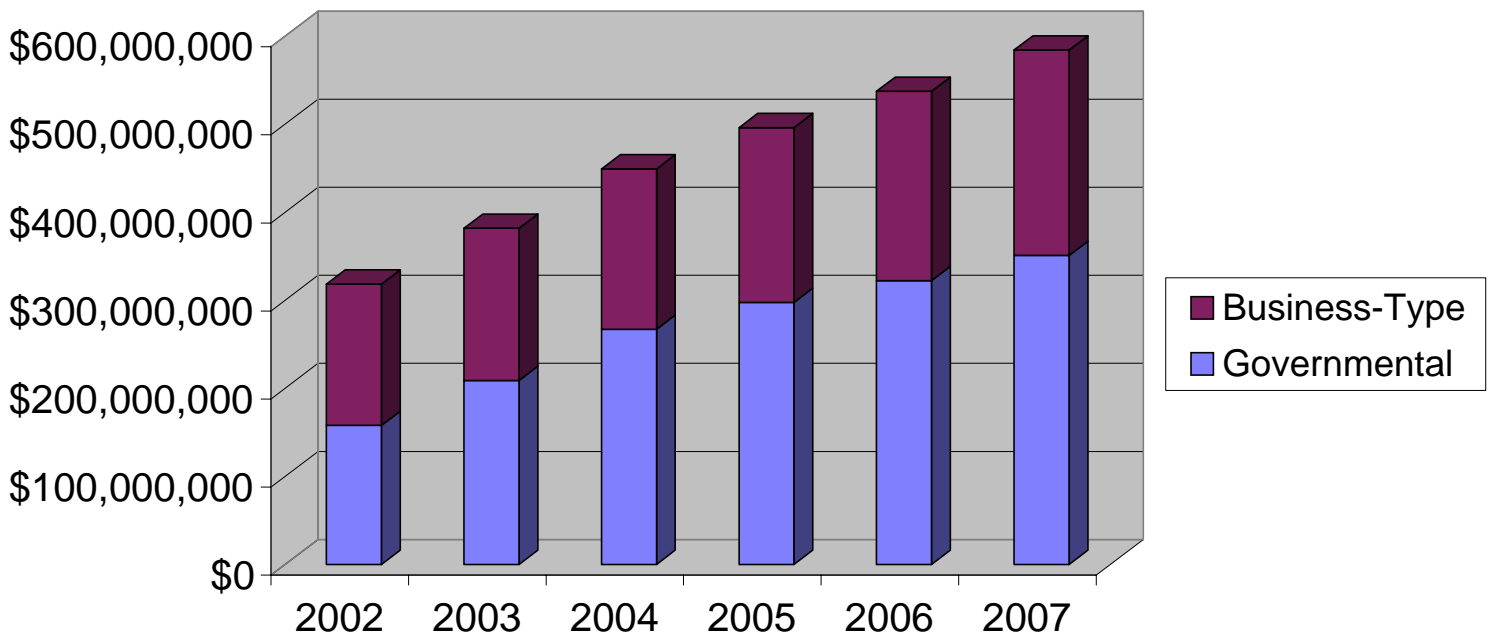
Demographic and Economic Information – Provides information about the County's demographic and economic characteristics, including population statistics and employment data.

Operating Information – Assists readers in understanding the overall operations of the County and helps to show the services provided by the County and its economic condition.

Johnson County, Kansas
Net Assets by Component
Last Six Fiscal Years (1)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
GOVERNMENTAL ACTIVITIES						
Invested in capital assets, net of related debt	\$ 31,460,772	\$ 54,160,592	\$ 96,741,012	\$ 105,082,458	\$ 112,300,996	\$ 119,244,891
Restricted for:						
Debt service	3,369,799	1,280,180	5,170,446	5,059,579	5,013,455	4,822,736
Special revenue funds	5,064,691	6,915,616	28,789,859	30,624,358	35,437,648	40,237,457
Capital projects	-	-	-	-	-	-
Public safety	5,946,830	2,475,662	5,760,617	7,778,976	8,238,141	8,930,873
Economic development	2,486,966	2,688,777	2,796,500	3,286,261	3,179,500	3,506,695
Unrestricted	109,513,387	141,464,813	127,755,016	145,803,575	158,247,813	174,092,929
Subtotal Governmental	\$ 157,842,445	\$ 208,985,640	\$ 267,013,450	\$ 297,635,207	\$ 322,417,553	\$ 350,835,581
BUSINESS-TYPE ACTIVITIES						
Invested in capital assets, net of related debt	\$ 144,357,611	\$ 132,776,317	\$ 168,059,283	\$ 181,469,106	\$ 209,272,291	\$ 214,915,235
Restricted for:						
Debt service	7,668,962	26,784,007	-	-	-	-
Unrestricted	8,548,463	13,198,860	14,245,724	16,954,281	5,730,092	18,458,671
Subtotal Business-Type	\$ 160,575,036	\$ 172,759,184	\$ 182,305,007	\$ 198,423,387	\$ 215,002,383	\$ 233,373,906
PRIMARY GOVERNMENT						
Invested in capital assets, net of related debt	\$ 175,818,383	\$ 186,936,909	\$ 264,800,295	\$ 286,551,564	\$ 321,573,287	\$ 334,160,126
Restricted for:						
Debt service	11,038,761	28,064,187	5,170,446	5,059,579	5,013,455	4,822,736
Special revenue funds	5,064,691	6,915,616	28,789,859	30,624,358	35,437,648	40,237,457
Public safety	5,946,830	2,475,662	5,760,617	7,778,976	8,238,141	8,930,873
Economic development	2,486,966	2,688,777	2,796,500	3,286,261	3,179,500	3,506,695
Unrestricted	118,061,850	154,663,673	142,000,740	162,757,856	163,977,905	192,551,600
TOTAL NET ASSETS	\$ 318,417,481	\$ 381,744,824	\$ 449,318,457	\$ 496,058,594	\$ 537,419,936	\$ 584,209,487

Government and Business-Type Net Assets Comparison



(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
Changes in Net Assets
Last Six Fiscal Years (1)
December 31, 2007

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Expenses:</u>						
Governmental Activities:						
General government	\$ 50,284,974	\$ 49,180,792	\$ 60,676,762	\$ 57,723,271	\$ 65,528,919	\$ 71,261,191
Public works	9,375,032	17,356,137	46,141,076	41,812,063	48,494,629	54,349,008
Public safety	79,005,024	85,781,826	99,465,273	105,164,200	113,339,836	123,123,775
Health and human services	57,420,327	60,878,938	69,833,911	73,171,512	78,104,338	81,034,438
Planning and economic development	4,668,756	16,774,636	22,627,432	22,818,084	23,774,305	23,527,172
Culture and recreation	19,083,667	18,527,258	19,196,126	20,143,713	21,322,091	22,555,476
Interest on long term debt	2,167,580	1,752,795	1,568,926	1,547,167	1,515,485	1,407,149
Total governmental activities	\$ 222,005,360	\$ 250,252,382	\$ 319,509,506	\$ 322,380,010	\$ 352,079,603	\$ 377,258,209
Business Type activities:						
Nursing Center (2)	\$ 5,554,810	\$ 132,128	\$ -	\$ -	\$ -	\$ -
Airport	4,928,643	4,358,253	4,350,789	4,629,785	4,588,078	4,700,347
Unified Wastewater District	52,803,405	48,892,044	48,281,549	49,077,830	53,460,298	52,961,673
Transportation	5,065,990	4,445,491	6,769,281	7,884,696	8,001,184	8,422,381
Public Building Commission	4,733,596	4,026,778	4,842,512	5,497,373	6,980,764	8,258,489
Total business type activities	\$ 73,086,444	\$ 61,854,694	\$ 64,244,131	\$ 67,089,684	\$ 73,030,324	\$ 74,342,890
<u>Program Revenues:</u>						
Governmental Activities:						
Charges for Service:						
General government	\$ 30,537,186	\$ 35,222,590	\$ 46,120,163	\$ 46,929,062	\$ 47,725,673	\$ 50,432,484
Public works	299,135	132,320	861,723	379,125	242,130	322,690
Public safety	7,105,039	7,263,455	9,826,191	12,575,449	12,211,065	13,334,433
Health and human services	18,251,244	20,210,338	23,649,404	22,586,504	23,030,979	24,763,252
Planning and economic development	1,324,015	1,014,611	1,047,850	894,717	1,050,186	1,411,679
Culture and recreation	1,802,256	2,190,637	989,122	1,088,009	677,491	1,453,552
Operating Grants and Contributions	48,474,026	42,681,643	41,185,436	47,217,302	43,643,321	45,264,428
Capital Grants and Contributions	220,974	150,984	38,563	144,596	411,553	239,364
Total governmental activities	\$ 108,013,875	\$ 108,866,578	\$ 123,718,452	\$ 131,814,764	\$ 128,992,398	\$ 137,221,882
Business Type activities:						
Charges for Service:						
Nursing Center (2)	\$ 4,412,162	\$ -	\$ -	\$ -	\$ -	\$ -
Airport	4,021,032	6,315,259	4,143,541	4,576,078	4,298,079	4,557,409
Unified Wastewater District	27,434,163	52,811,119	57,253,211	61,205,283	60,166,648	65,304,524
Transportation	628,015	615,681	1,262,445	653,561	785,852	989,990
Public Building Commission	8,210,982	7,983,410	6,053,241	7,607,682	9,555,791	8,977,685
Operating Grants and Contributions	3,331,453	2,441,767	3,638,036	6,907,341	3,212,441	4,414,815
Capital Grants and Contributions	-	665,124	250,000	250,000	2,865,994	833,630
Total business type activities	\$ 43,625,645	\$ 70,832,360	\$ 72,600,474	\$ 81,199,945	\$ 80,884,805	\$ 85,078,053
<u>Net (Expense)/Revenue:</u>						
Governmental Activities	\$ (113,991,485)	\$ (141,385,804)	\$ (194,506,820)	\$ (189,450,094)	\$ (221,394,136)	\$ (238,291,204)
Business Type Activities	(25,048,637)	8,977,666	7,072,109	12,995,109	6,161,412	8,990,041
Total primary government net expense	\$ (139,040,122)	\$ (132,408,138)	\$ (187,434,711)	\$ (176,454,985)	\$ (215,232,724)	\$ (229,301,163)
<u>General Revenues:</u>						
Governmental Activities:						
Property Taxes	\$ 122,925,567	\$ 129,336,256	\$ 138,924,881	\$ 142,123,808	\$ 161,876,560	\$ 173,957,923
Sales Taxes	36,744,322	52,022,478	61,866,361	63,507,087	65,068,745	66,816,061
Other Taxes	1,891,033	1,840,375	1,801,971	1,675,701	1,816,751	1,646,312
Unrestricted Investment Earnings	10,023,114	5,865,168	2,557,593	8,887,382	17,540,871	21,489,622
Miscellaneous	4,502,114	5,049,029	5,292,434	5,330,684	5,940,737	6,496,744
Transfers	(1,537,421)	(1,584,307)	(2,412,820)	(1,452,811)	(6,067,182)	(3,697,429)
Total governmental activities	\$ 174,548,729	\$ 192,528,999	\$ 208,030,420	\$ 220,071,851	\$ 246,176,482	\$ 266,709,232
Business Type activities:						
Property Taxes	\$ 20,586,267	\$ 1,056,220	\$ 298,269	\$ 96,355	\$ 59,615	\$ 8,237
Other Taxes	4,451	4,451	4,451	4,451	91	
Unrestricted Investment Earnings	3,639,452	561,504	(241,826)	1,569,654	4,290,696	5,675,816
Transfers	1,537,421	1,584,307	2,412,820	1,452,811	6,067,182	3,697,429
Total business type activities	\$ 25,767,591	\$ 3,206,482	\$ 2,473,714	\$ 3,123,271	\$ 10,417,584	\$ 9,381,482
<u>Change in Net Assets:</u>						
Governmental Activities	\$ 60,557,244	\$ 51,143,195	\$ 13,523,600	\$ 30,621,757	\$ 24,782,346	\$ 28,418,028
Business Type Activities	718,954	12,184,148	9,545,823	16,118,380	16,578,996	18,371,523
Total Primary Government	\$ 61,276,198	\$ 63,327,343	\$ 23,069,423	\$ 46,740,137	\$ 41,361,342	\$ 46,789,551

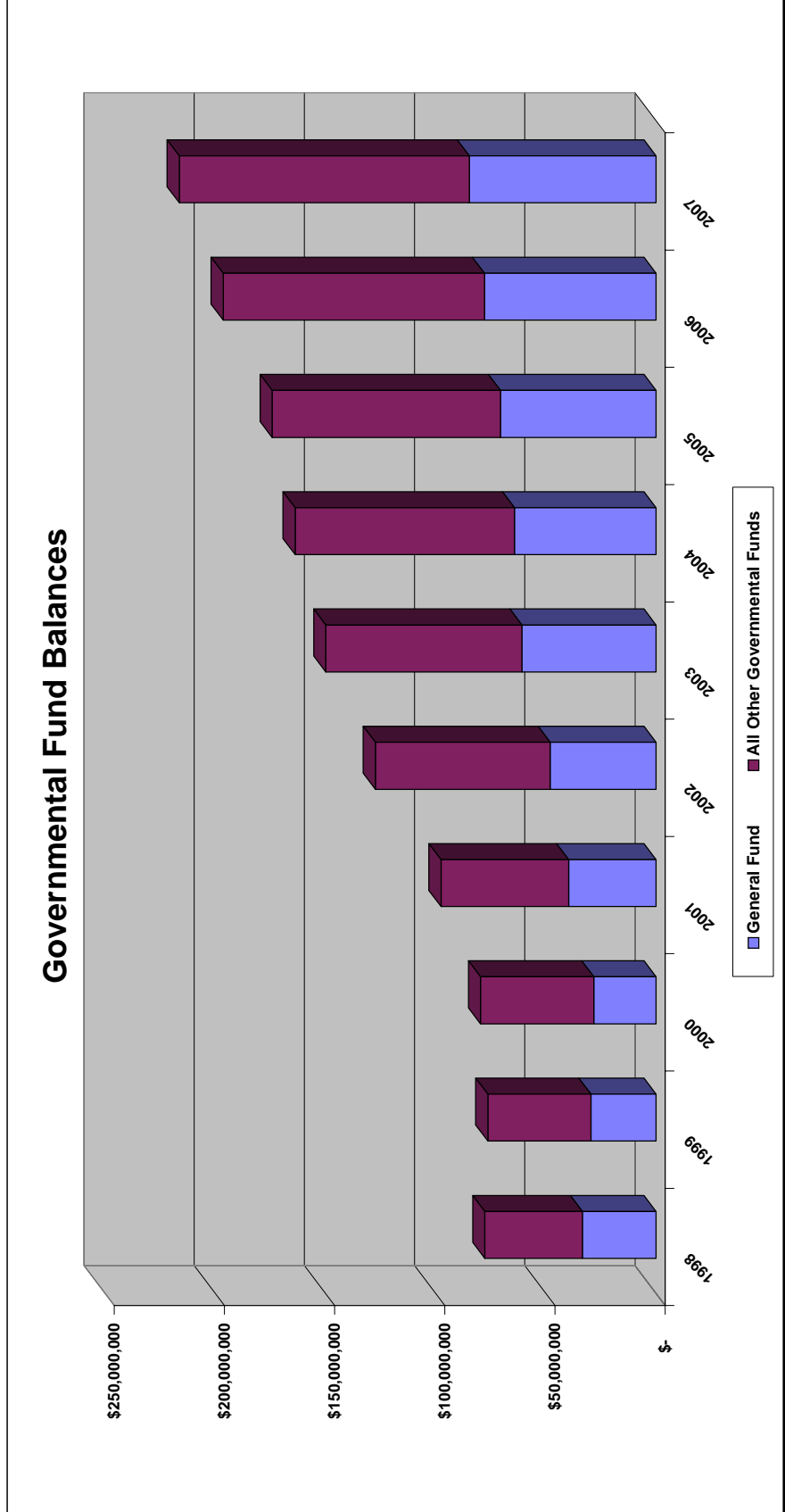
(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

(2) Nursing Center was no longer part of County after 2002.

Johnson County, Kansas
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 December 31, 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GENERAL FUND										
Reserved	\$ 877,927	\$ 1,391,068	\$ 8,723,875	\$ 7,942,727	\$ 10,515,520	\$ 7,337,286	\$ 10,358,682	\$ 12,292,496	\$ 12,740,589	\$ 14,280,139
Unreserved, reported in:										
Designated for public safety	-	9,120,838	-	-	-	-	-	-	-	-
Designated for capital expenditures	7,194,165	-	-	-	-	-	-	-	-	-
Designated for working capital	11,333,524	12,083,443	12,989,712	14,571,462	16,957,879	18,837,308	11,696,899	12,523,195	13,504,578	13,844,930
Designated for restricted agencies	-	3,187,391	3,609,273	4,123,611	2,378,595	5,204,772	3,361,166	6,412,421	3,372,771	2,592,186
General fund	14,001,031	3,820,865	2,993,176	13,045,631	18,226,633	29,517,313	38,850,563	39,404,783	48,291,140	54,080,473
Total General Fund	\$ 33,406,647	\$ 29,603,605	\$ 28,316,036	\$ 39,683,431	\$ 48,078,627	\$ 60,896,679	\$ 64,267,310	\$ 70,632,895	\$ 77,909,078	\$ 84,797,728

ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 411,194	\$ 430,769	\$ 17,932	\$ -	\$ 10,003,840	\$ 5,114,720	\$ 32,438,475	\$ 31,603,443	\$ 31,851,111	\$ 30,909,707
Unreserved, reported in:										
Designated for working capital	428,221	476,358	402,129	364,114	286,241	-	-	-	-	-
Debt service fund	2,918,333	3,776,553	3,620,639	3,738,203	3,083,558	1,280,180	793,061	717,227	701,097	541,116
Capital projects fund	31,662,981	32,748,654	36,668,397	39,801,963	43,701,290	57,234,771	37,975,213	41,456,477	51,446,053	61,966,839
Special revenue funds	8,874,944	9,309,726	11,623,526	14,016,456	22,263,137	25,345,525	28,351,005	29,821,286	34,527,447	38,199,483
Total All Other Governmental Funds	\$ 44,295,673	\$ 46,742,060	\$ 51,332,623	\$ 57,920,736	\$ 79,338,066	\$ 88,975,196	\$ 99,557,754	\$ 103,598,433	\$ 118,525,708	\$ 131,617,145



Johnson County, Kansas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
December 31, 2007

REVENUES

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Taxes	\$ 112,409,395	\$ 116,808,420	\$ 134,536,622	\$ 146,280,731	\$ 160,713,653	\$ 182,329,357	\$ 201,699,087	\$ 207,194,978	\$ 228,735,916	\$ 242,417,134
Intergovernmental	39,439,207	43,363,944	46,489,202	50,071,946	48,695,000	42,832,627	41,223,999	47,361,898	44,054,874	45,503,792
Charges for services	49,503,830	50,316,856	48,765,482	59,025,807	67,753,459	76,561,352	76,931,093	76,198,339	83,065,113	87,704,135
Interest	8,922,803	6,493,185	11,747,633	11,206,395	9,319,555	5,199,255	1,945,897	8,043,217	16,182,301	19,441,431
Licenses and permits	783,184	1,039,316	992,681	1,193,221	2,377,091	2,585,110	3,034,763	2,948,228	3,719,810	3,331,951
Other	3,499,802	3,974,515	4,460,497	5,921,522	4,502,114	5,049,029	5,292,434	5,330,683	5,940,737	6,496,744
Total Revenues	214,558,221	221,996,236	246,992,117	273,699,622	293,360,872	314,556,730	330,127,273	347,077,343	381,698,751	404,895,187

EXPENDITURES

General government	37,525,879	40,683,396	43,688,247	46,467,371	53,288,036	50,233,878	56,705,353	59,300,779	62,833,222	64,737,243
Public works and transportation	9,070,959	11,026,054	11,771,384	13,152,779	8,905,386	9,089,124	9,175,398	9,489,202	9,751,395	9,986,468
Public safety	57,802,163	61,297,288	65,749,036	72,744,844	79,797,881	90,102,027	97,312,476	102,828,116	111,279,298	118,165,755
Health and human services	43,594,177	47,318,351	49,347,439	53,986,476	59,491,743	63,504,096	69,064,765	72,589,932	76,682,752	80,338,521
Planning and economic development	4,073,700	3,844,708	4,269,052	4,129,758	4,964,795	17,119,716	22,602,954	22,795,210	23,746,721	23,485,399
Culture and recreation	13,373,155	13,404,804	14,085,369	16,057,131	16,974,597	17,571,798	18,089,705	19,109,616	20,239,177	21,600,355
Capital outlay	7,867,728	11,209,038	11,325,703	11,068,501	44,269,716	36,608,636	39,189,824	45,012,838	43,710,803	57,852,307
Debt service:										
Principal	6,985,974	6,087,066	6,340,353	6,095,353	7,031,653	4,143,660	4,069,122	3,823,047	3,802,962	3,728,208
Interest	2,308,356	2,067,759	2,180,809	2,158,140	2,089,246	1,768,666	1,614,403	1,567,192	1,482,843	1,359,990
Total Expenditures	182,602,091	196,938,464	208,757,392	225,860,353	276,813,053	290,141,601	317,824,000	336,495,932	353,529,173	381,254,246

Excess of revenues over (under) expenditures

	31,956,130	25,057,772	38,234,725	47,839,269	16,547,819	24,415,129	12,303,273	10,581,411	28,169,578	23,640,941
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OTHER FINANCING SOURCES (USES)

Transfers in	5,899,627	4,758,548	4,637,322	4,917,254	43,860,280	38,881,140	43,501,298	42,588,157	49,004,640	62,157,379
Transfers out	(31,917,442)	(32,115,923)	(42,860,960)	(38,947,600)	(47,073,754)	(41,846,547)	(46,296,382)	(44,040,969)	(54,986,983)	(65,854,808)
Proceeds from capital lease	221,372	246,980	372,164	13,019	79,390	20,460	-	26,320	16,223	36,575
General obligation	1,890,000	-	-	-	10,415,000	985,000	-	1,245,000	-	-
Refunding bonds issued	-	-	-	-	12,477,978	-	4,445,000	-	-	-
Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	(12,556,312)	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	6,345	-	-
Total other financing sources and uses	(23,906,443)	(27,110,395)	(37,851,474)	(34,017,327)	7,202,582	(1,959,947)	1,649,916	(175,147)	(5,966,120)	(3,660,854)

NET CHANGE IN FUND BALANCES

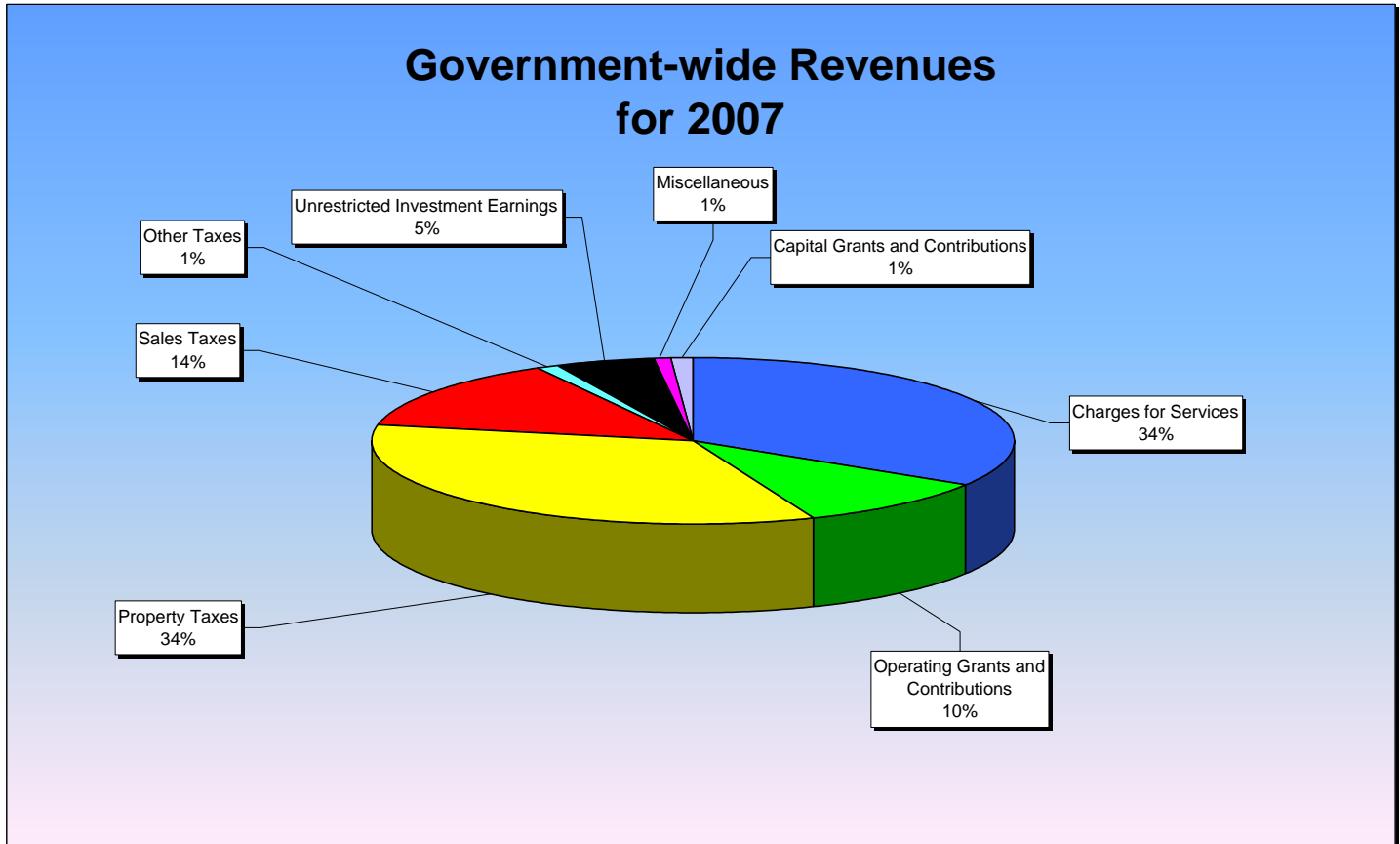
	\$ 8,049,687	\$ (2,052,623)	\$ 383,251	\$ 13,821,942	\$ 23,750,401	\$ 22,455,182	\$ 13,963,189	\$ 10,406,264	\$ 22,203,458	\$ 19,980,087
--	--------------	----------------	------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Debt service as a percentage of noncapital expenditures

	5.32%	4.39%	4.32%	3.84%	3.92%	2.33%	2.04%	1.85%	1.71%	1.57%
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Johnson County, Kansas
Government-wide Revenues
Last Six Fiscal Years (1)
December 31, 2007

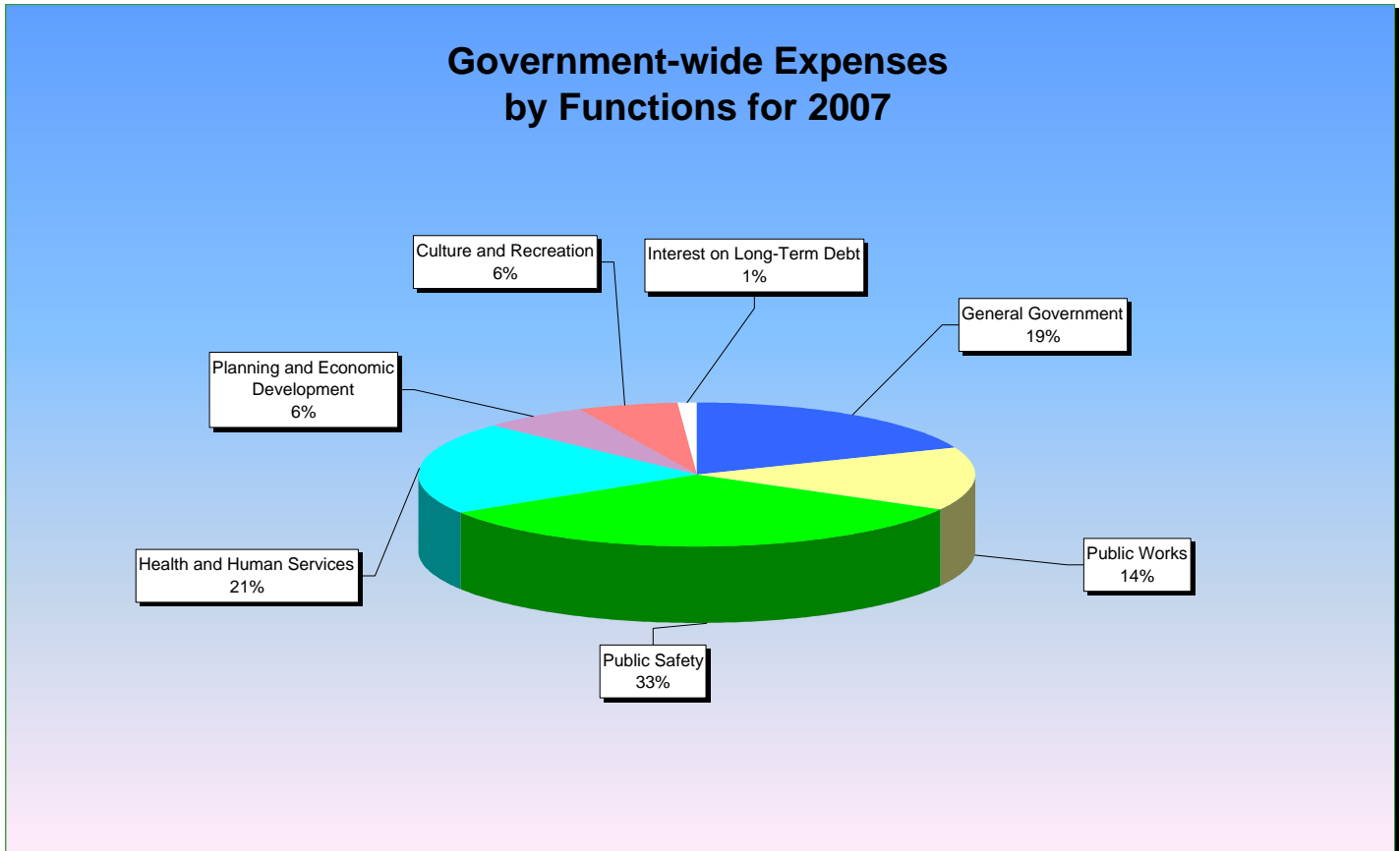
Fiscal Year	Program Revenues			General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Sales Taxes	Other Taxes	Unrestricted Investment Earnings	Miscellaneous	
2007	\$ 171,547,698	\$ 49,679,243	\$ 1,072,994	\$ 173,966,160	\$ 66,816,061	\$ 1,646,312	\$ 27,165,438	\$ 6,496,744	\$ 498,390,650
2006	159,743,894	46,855,762	3,277,547	161,936,175	65,068,745	1,816,842	21,831,567	5,940,737	466,471,269
2005	158,495,470	54,124,643	394,596	142,220,163	63,507,087	1,680,152	10,457,036	5,330,684	436,209,831
2004	151,206,891	44,823,472	288,563	139,223,150	61,866,361	1,806,422	2,315,767	5,292,434	406,823,060
2003	133,759,420	45,123,410	816,108	130,392,476	52,022,478	1,844,826	6,426,672	5,049,029	375,434,419
2002	104,025,229	51,805,479	220,974	143,511,834	36,744,322	1,895,484	13,662,566	4,502,114	356,368,002



(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
Government-wide Expenses by Function
Last Six Fiscal Years (1)
December 31, 2007

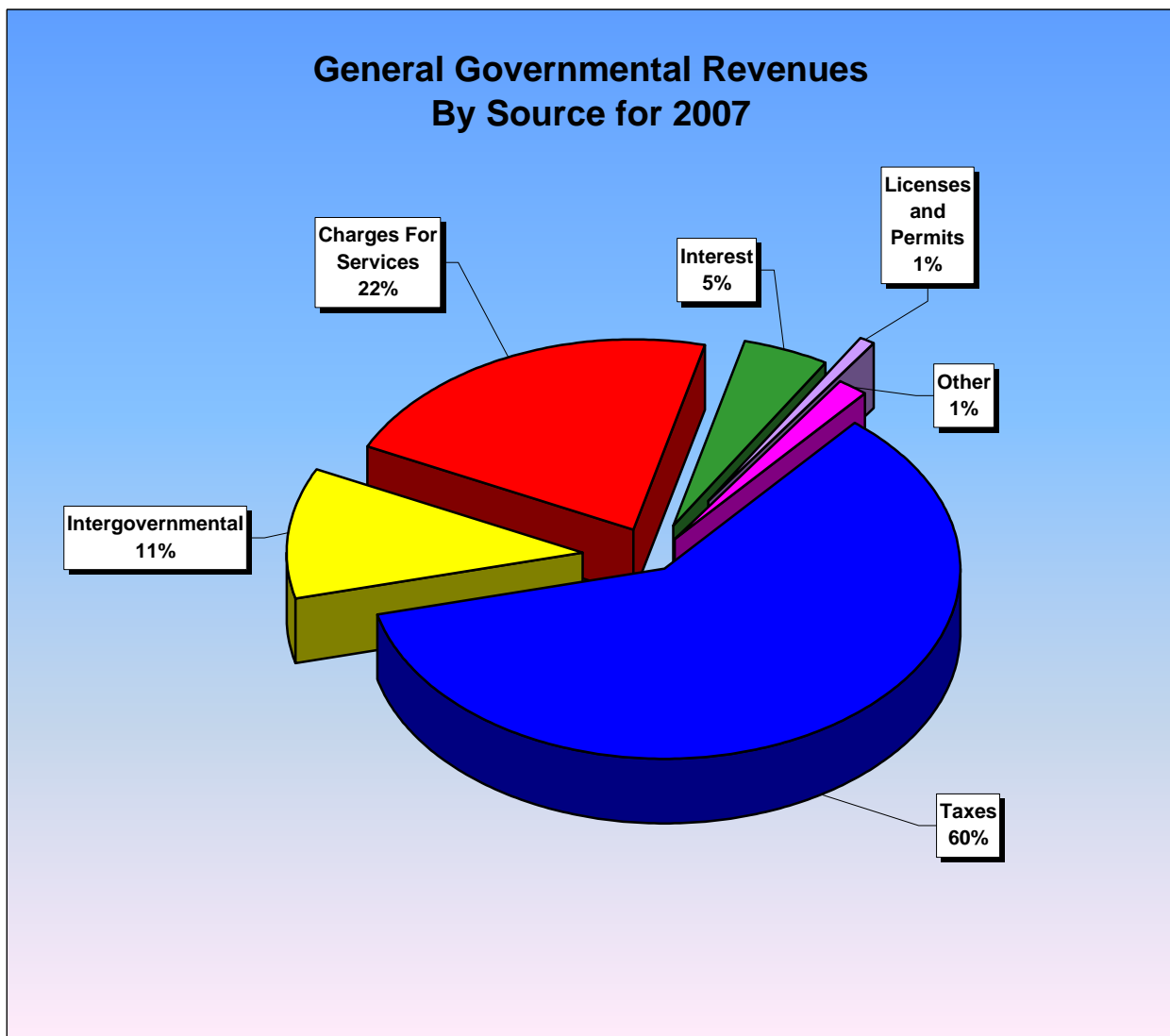
Fiscal Year	General Government	Public Works	Public Safety	Health and Human Services	Planning and Economic Development	Culture and Recreation	Interest on Long-Term Debt	Total
2007	\$ 71,261,191	\$ 54,349,008	\$ 123,123,775	\$ 81,034,438	\$ 23,527,172	\$ 22,555,476	\$ 1,407,149	\$ 377,258,209
2006	65,528,919	48,494,629	113,339,836	78,104,338	23,774,305	21,322,091	1,515,485	352,079,603
2005	57,723,271	41,812,063	105,164,200	73,171,512	22,818,084	20,143,713	1,547,167	322,380,010
2004	46,402,188	46,987,125	107,125,841	73,812,912	23,006,309	19,321,971	1,568,926	318,225,272
2003	49,180,792	17,356,137	85,781,826	60,878,938	16,774,636	18,527,258	1,752,795	250,252,382
2002	50,284,974	9,375,032	79,005,024	57,420,327	4,668,756	19,083,667	2,167,580	222,005,360



(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
General Governmental Revenues by Source
Last Ten Fiscal Years
December 31, 2007

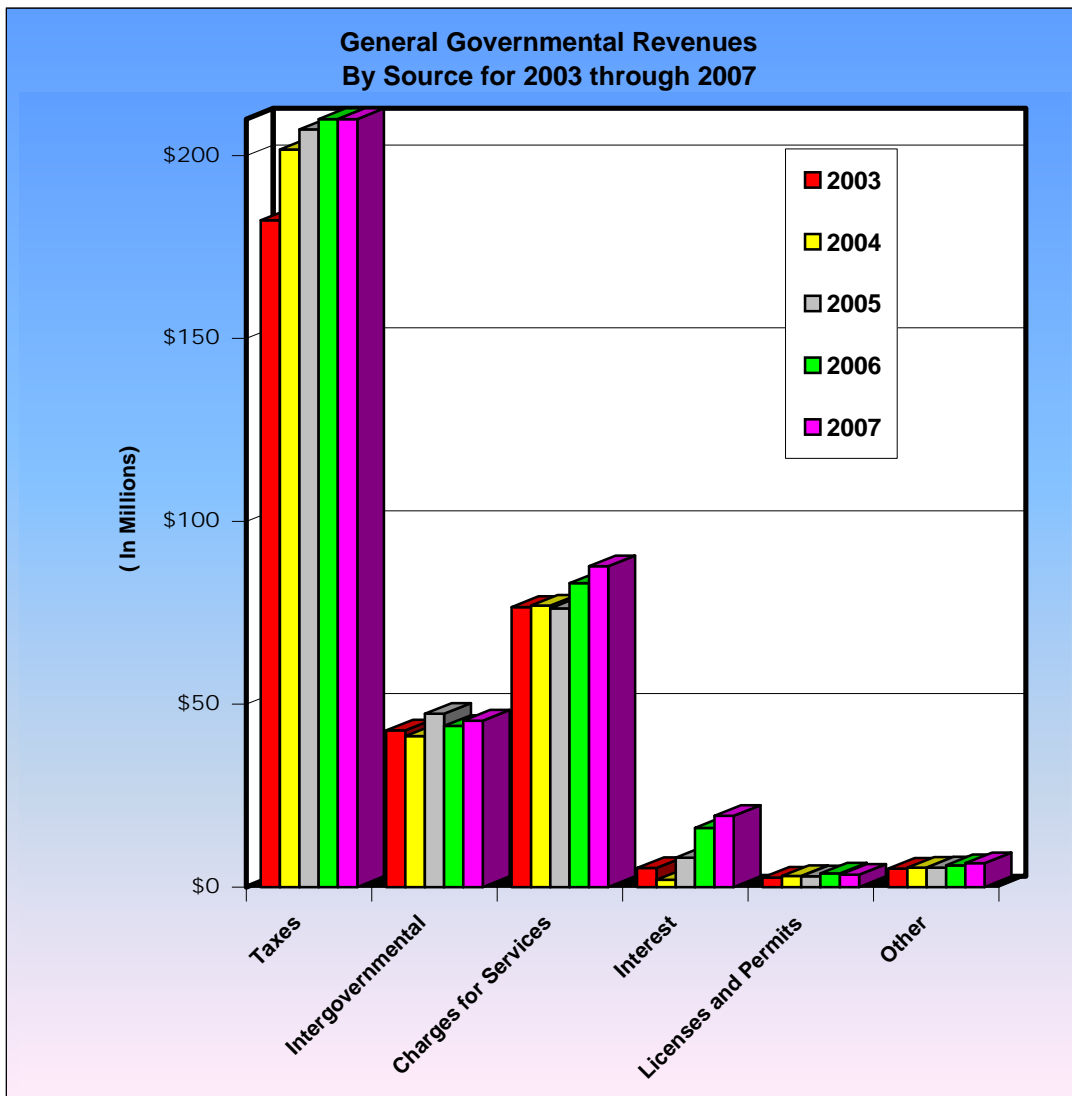
Fiscal Year	Taxes	Intergovernmental	Charges for Services	Interest
2007	\$ 242,417,134	\$ 45,503,792	\$ 87,704,135	\$ 19,441,431
2006	228,735,916	44,054,874	83,065,113	16,182,301
2005	207,194,978	47,361,898	76,198,339	8,043,217
2004	201,699,087	41,223,999	76,931,093	1,945,897
2003	182,329,357	42,832,627	76,561,352	5,199,255
2002	160,713,653	48,695,000	67,753,459	9,319,555
2001	146,280,731	50,071,946	59,025,807	11,206,395
2000	134,536,622	46,489,202	48,765,482	11,747,633
1999	116,808,420	43,363,944	50,316,856	6,493,185
1998	112,409,395	39,439,207	49,503,830	8,922,803



(1) Revenues include general, special revenue, and debt service funds.

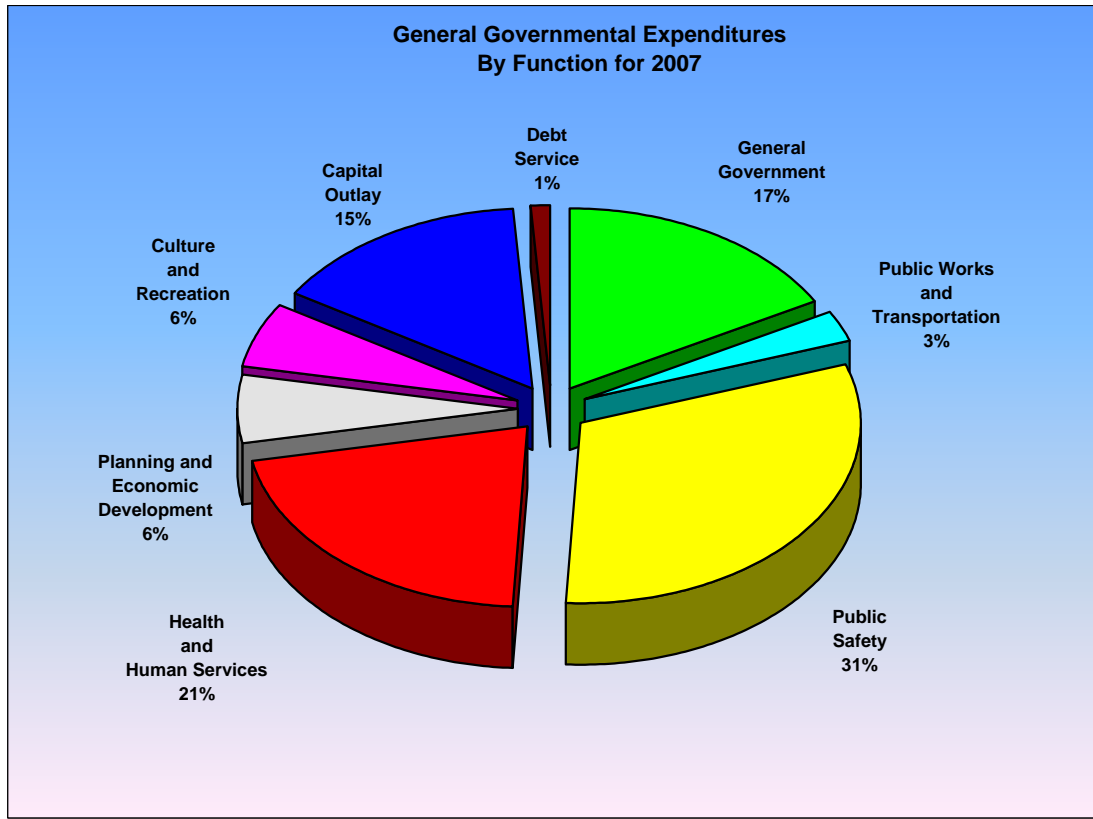
Johnson County, Kansas
General Governmental Revenues by Source
Last Ten Fiscal Years
December 31, 2007

Licenses and Permits		Other	Total (1)	Fiscal Year
\$	3,331,951	\$ 6,496,744	\$ 404,895,187	2007
	3,719,810	5,940,737	381,698,751	2006
	2,948,228	5,330,683	347,077,343	2005
	3,034,763	5,292,434	330,127,273	2004
	2,585,110	5,049,029	314,556,730	2003
	2,377,091	4,502,114	293,360,872	2002
	1,193,221	5,921,522	273,699,622	2001
	992,681	4,460,497	246,992,117	2000
	1,039,316	3,974,515	221,996,236	1999
	783,184	3,499,802	214,558,221	1998



Johnson County, Kansas
General Governmental Expenditures by Function
Last Ten Fiscal Years
December 31, 2007

Fiscal Year	General Government	Public Works and Transportation	Public Safety	Health and Human Services	Planning and Economic Development
2007	\$ 64,737,243	\$ 9,986,468	\$ 118,165,755	\$ 80,338,521	\$ 23,485,399
2006	62,833,222	9,751,395	111,279,298	76,682,752	23,746,721
2005	59,300,779	9,469,202	102,828,116	72,589,932	22,795,210
2004	56,705,353	9,175,398	97,312,476	69,064,765	22,602,954
2003	50,233,878	9,089,124	90,102,027	63,504,096	17,119,716
2002	53,288,036	8,905,386	79,797,881	59,491,743	4,964,795
2001	46,467,371	13,152,779	72,744,844	53,986,476	4,129,758
2000	43,688,247	11,771,384	65,749,036	49,347,439	4,269,052
1999	40,683,396	11,026,054	61,297,288	47,318,351	3,844,708
1998	37,525,879	9,070,959	57,802,163	43,594,177	4,073,700

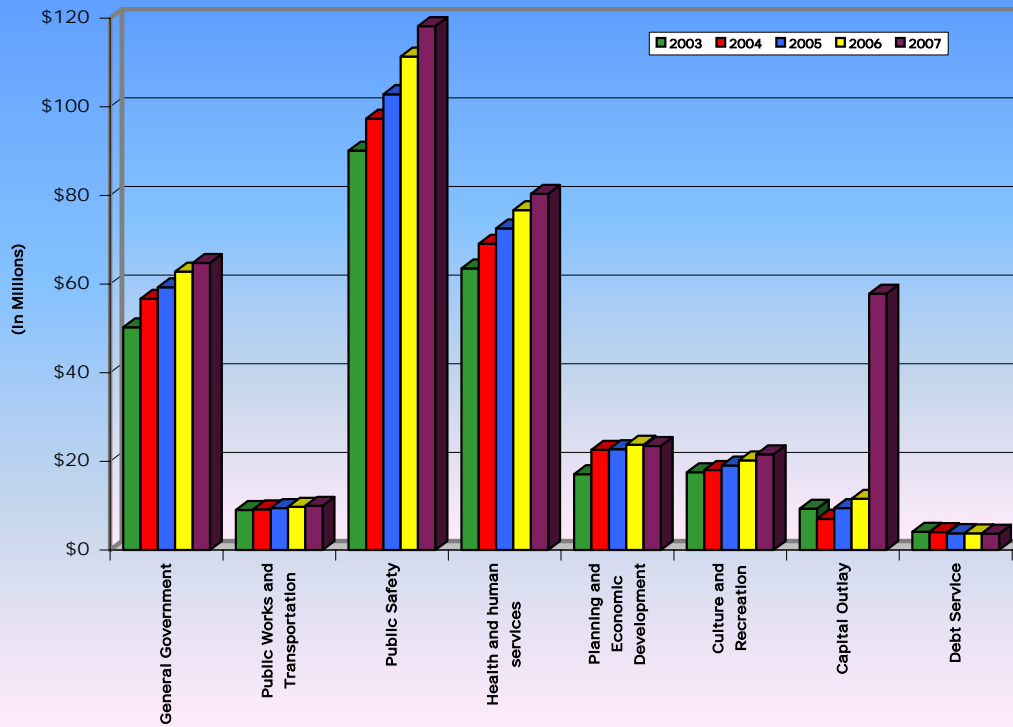


(1) Expenditures include general, special revenue, and debt service funds.

Johnson County, Kansas
General Governmental Expenditures by Function
Last Ten Fiscal Years
December 31, 2007

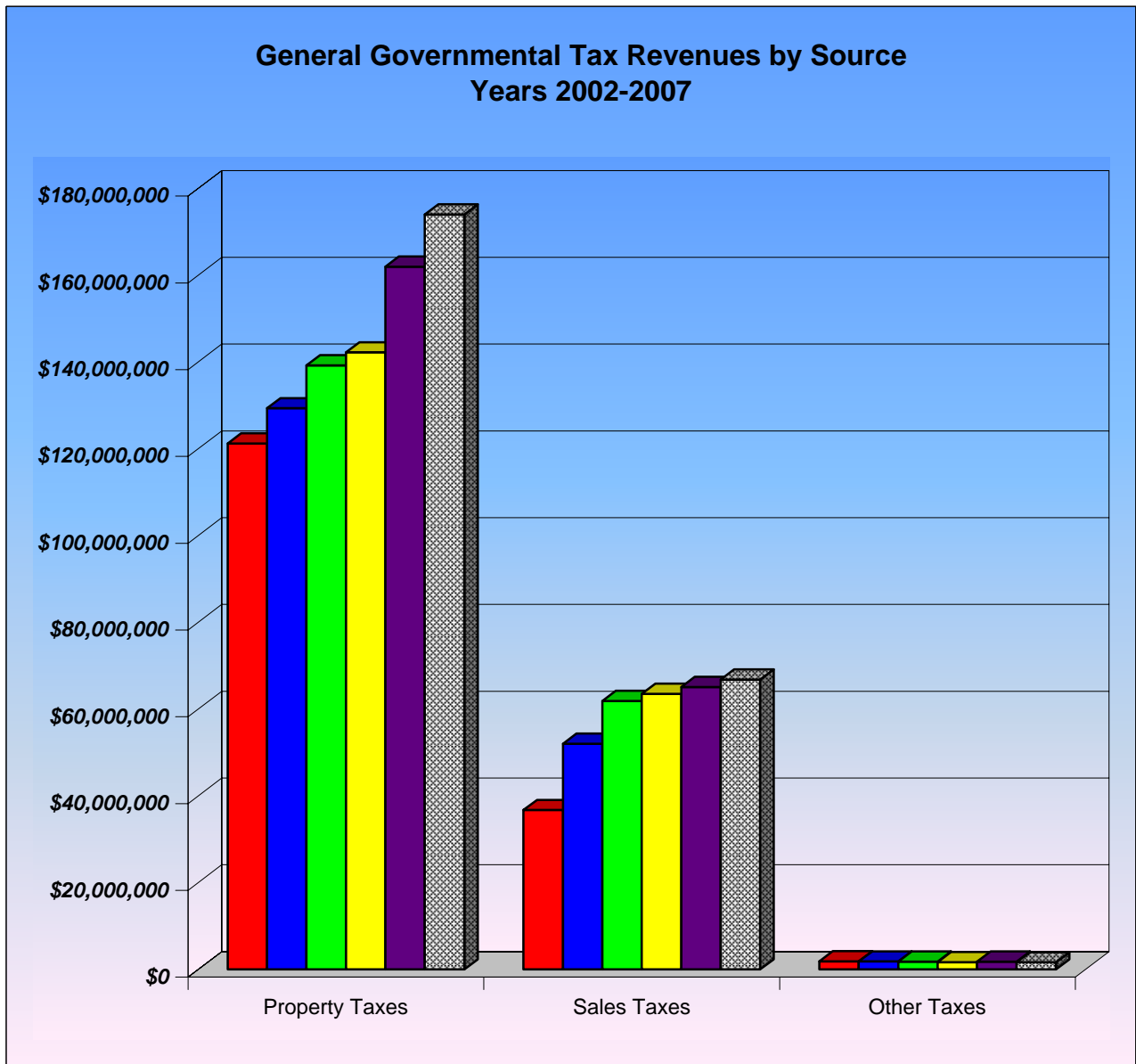
Culture and Recreation	Capital Outlay	Debt Service		Total Expenditures (1)	Debt Service as percentage of Non-Capital Expenditures	Fiscal Year
		Principal	Interest			
\$ 21,600,355	\$ 57,852,307	\$ 3,728,208	\$ 1,359,990	\$ 381,254,246	1.57%	2007
20,239,177	11,578,168	3,802,962	1,482,843	321,396,538	1.71%	2006
19,109,616	9,454,950	3,823,047	1,567,192	300,938,044	1.85%	2005
18,089,705	7,073,119	4,069,122	1,614,403	285,707,295	2.04%	2004
17,571,798	9,310,608	4,143,660	1,768,666	262,843,573	2.33%	2003
16,974,597	9,723,344	7,031,653	1,985,096	242,162,531	3.88%	2002
16,057,131	11,068,501	6,095,353	2,158,140	225,860,353	3.84%	2001
14,085,369	11,325,703	6,340,353	2,180,809	208,757,392	4.32%	2000
13,404,804	11,209,038	6,087,066	2,067,759	196,938,464	4.39%	1999
13,373,155	7,867,728	6,985,974	2,308,356	182,602,091	5.32%	1998

**General Governmental Expenditures
By Function for 2003 Through 2007**



Johnson County, Kansas
General Governmental Tax Revenues by Source
Last Six Fiscal Years (1)
December 31, 2007

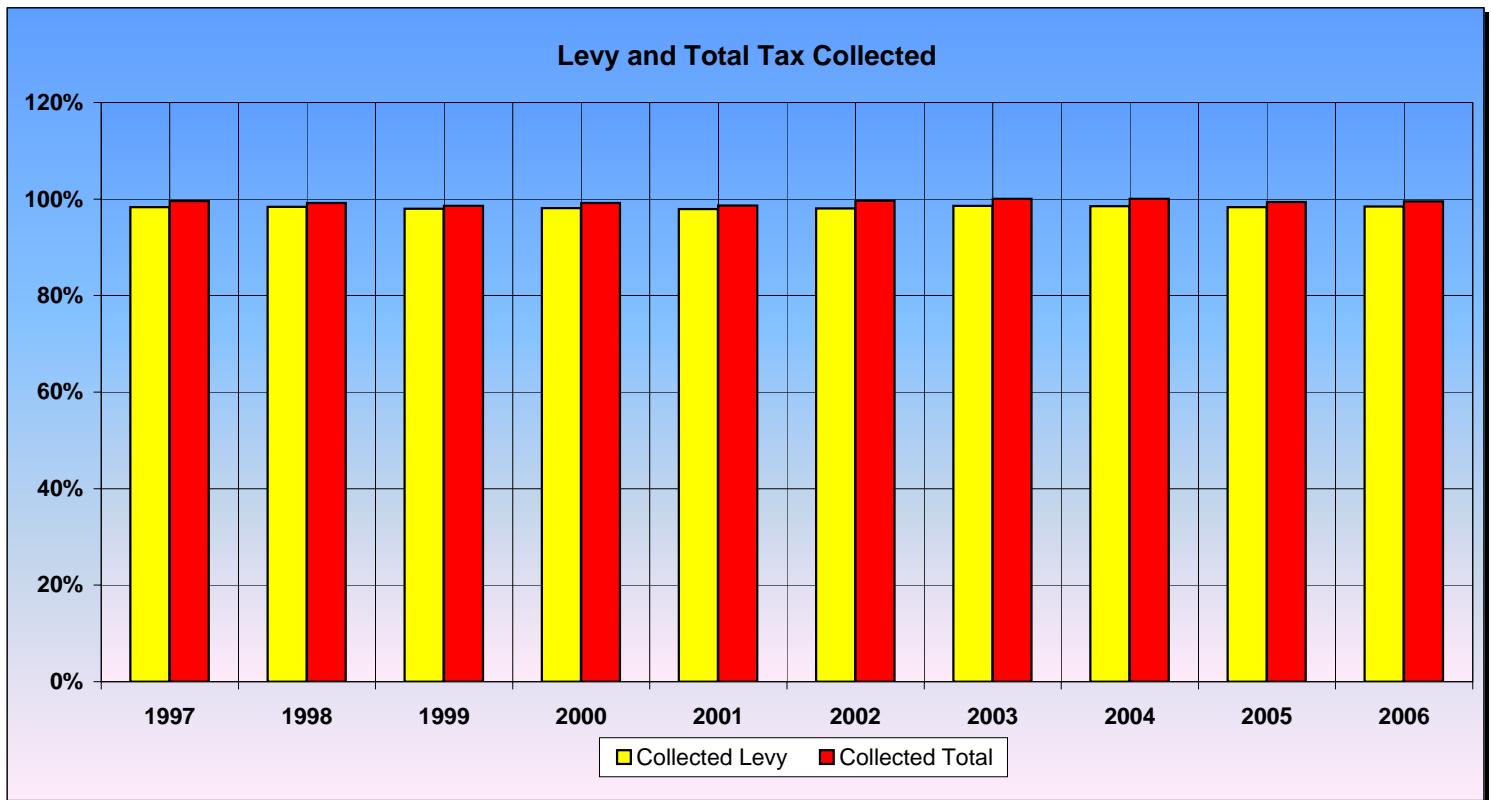
Fiscal Year	Property Taxes	Sales Taxes	Other Taxes	Total
2007	\$ 173,966,160	\$ 66,816,061	\$ 1,646,312	\$ 242,428,533
2006	161,936,175	65,068,745	1,816,842	228,821,762
2005	142,220,163	63,507,087	1,680,152	207,407,402
2004	139,223,150	61,866,361	1,806,422	202,895,933
2003	129,336,256	52,022,478	1,840,375	183,199,109
2002	121,231,029	36,744,322	1,891,033	159,866,384



(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2007

Levy Year (1)	Net Adjusted Tax Roll (2)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collected	Outstanding Delinquent Taxes (4)	Delinquent Taxes to Net Adj. Tax
2006	\$ 174,552,204	\$ 171,840,784	98.45%	\$ 1,881,471	\$ 173,722,255	99.52%	\$ 8,152,781	4.67%
2005	146,527,466	144,019,261	98.29%	1,594,399	145,613,660	99.38%	7,322,832	5.00%
2004	126,320,911	124,440,519	98.51%	1,941,817	126,382,336	100.05%	6,409,026	5.07%
2003	137,947,269	135,980,520	98.57%	2,012,681	137,993,201	100.03%	6,470,451	4.69%
2002	124,644,527	122,254,413	98.08%	1,928,613	124,183,026	99.63%	6,516,383	5.23%
2001	138,352,065	135,483,285	97.93%	1,047,244	136,530,529	98.68%	6,054,882	4.38%
2000	125,008,795	122,634,070	98.10%	1,363,715	123,997,785	99.19%	4,233,346	3.39%
1999	115,809,497	113,469,114	97.98%	682,794	114,151,908	98.57%	3,222,336	2.78%
1998	96,171,411	94,611,905	98.38%	765,897	95,377,802	99.17%	1,564,747	1.63%
1997	90,460,635	88,954,311	98.33%	1,138,802	90,093,113	99.59%	771,138	0.85%

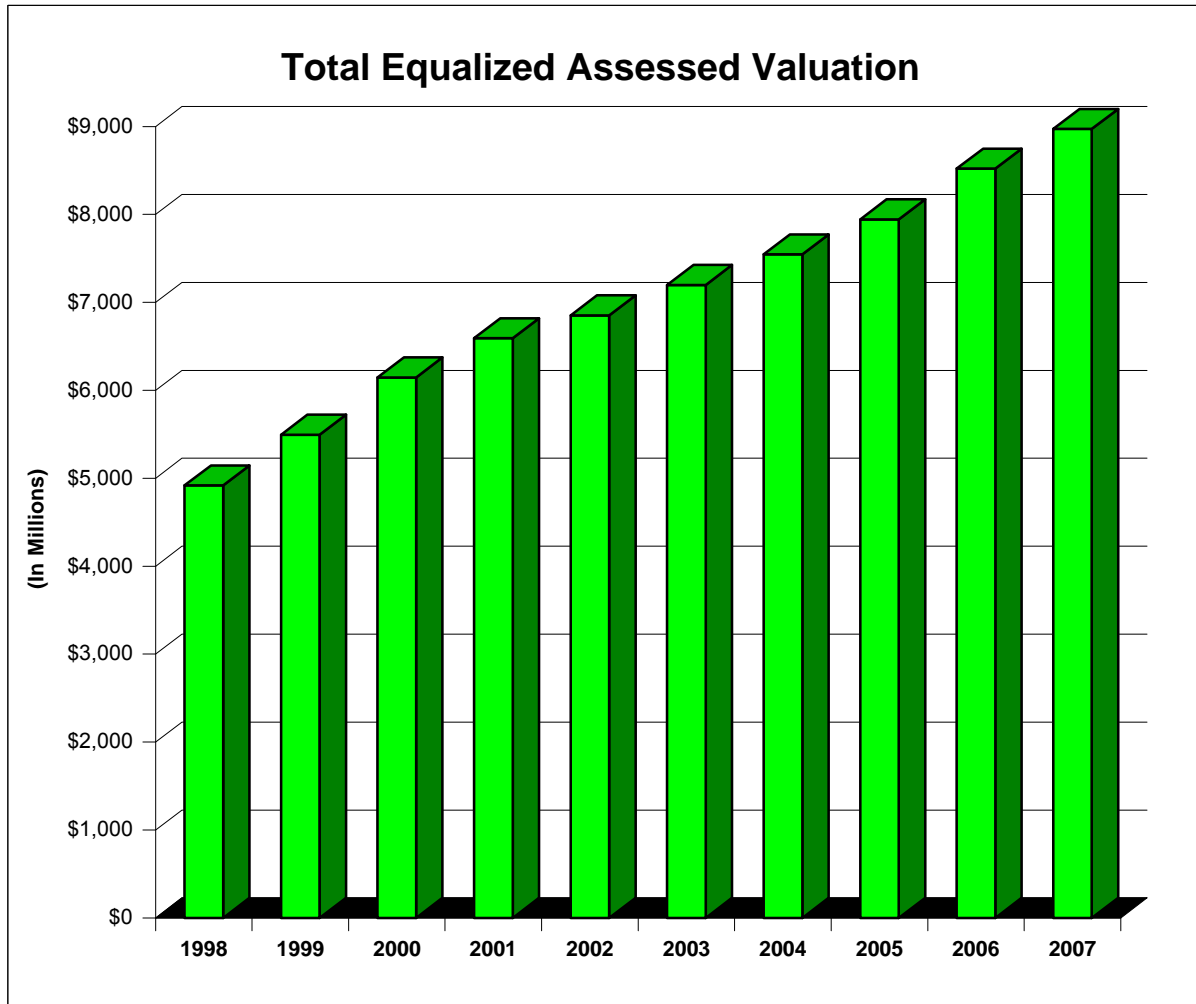


- (1) Taxes levied in 2006 are due December 20, 2006 but may be paid 50% by December 20, 2006 and 50% by May 10, 2007.
- (2) Net Adjusted Tax Roll is the County Clerk's Abstract of Taxes plus new taxes less abated taxes.
- (3) Delinquent tax collections may include collections of prior year delinquencies and current year delinquencies.
Source County Treasurer.
- (4) K.S.A. 79-2401 et. seq. provides for the sale of property on which delinquent taxes are owed after three years of certified delinquency (approximately four years).

Johnson County, Kansas
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

December 31, 2007

Fiscal Year	Real Property Assessed Value(1)	Personal Property Assessed Value(1)	Utilities Assessed Value(1)	Total Assessed Value
2007	\$ 7,441,729,299	\$ 496,710,813	\$ 230,509,813	\$ 8,168,949,925
2006	6,952,936,327	546,237,913	233,922,217	7,733,096,457
2005	6,426,527,762	522,165,861	229,797,418	7,178,491,041
2004	6,022,937,223	504,092,012	276,184,790	6,803,214,025
2003	5,691,787,337	526,605,820	262,899,814	6,481,292,971
2002	5,378,055,149	543,329,346	248,460,112	6,169,844,607
2001	5,113,300,845	570,831,033	266,934,541	5,951,066,419
2000	4,651,597,610	571,747,331	259,366,373	5,482,711,314
1999	4,137,964,939	482,949,346	228,535,116	4,849,449,401
1998	3,666,132,032	429,937,111	198,314,802	4,294,383,945

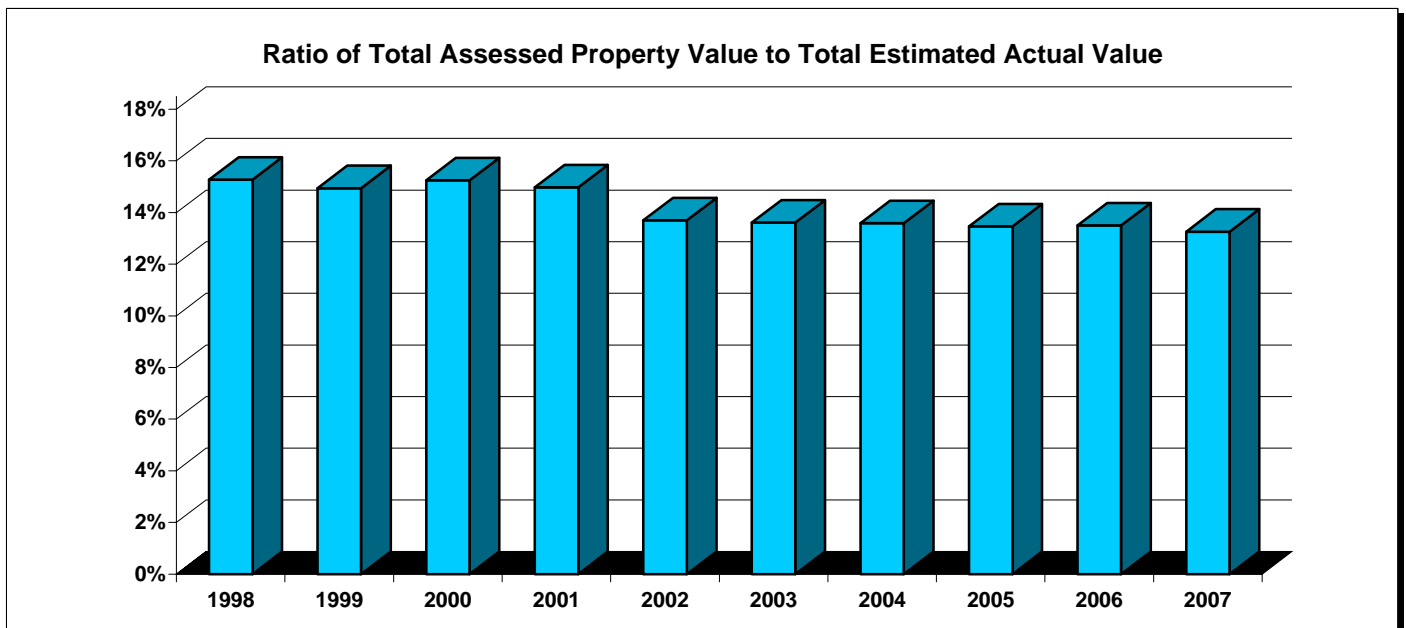


(1) Source: 2007 Annual Abstract of Taxes, County Clerk

Johnson County, Kansas
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years
December 31, 2007

Motor Vehicle Assessed Value(1)	Recreational Vehicle Assessed Value(1)	Total Equalized Assessed Valuation	Total Direct Tax Rate	Year
\$ 798,621,975	\$ 3,700,267	\$ 8,971,272,167	23.199	2007
783,704,614	3,706,787	8,520,507,858	23.163	2006
761,555,444	3,553,249	7,943,599,734	21.364	2005
739,386,265	3,446,192	7,546,046,482	21.700	2004
713,163,335	3,320,568	7,197,776,874	20.771	2003
679,726,647	3,117,489	6,852,688,743	24.867	2002
639,284,427	2,884,953	6,593,235,799	24.626	2001
662,001,465	2,372,853	6,147,085,632	25.866	2000
643,393,099	1,993,308	5,494,835,808	24.660	1999
622,732,907	1,623,009	4,918,739,861	26.009	1998

Real Property Estimated Actual Value(2)	Personal Property Estimated Actual Value(2)	Utilities Estimated Actual Value(3)	Total Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Year
\$ 58,907,586,441	\$ 1,953,729,198	\$ 750,572,302	\$ 61,611,887,941	13.26%	2007
54,383,895,167	2,148,535,791	754,421,000	57,286,851,958	13.50%	2006
50,508,957,215	2,053,852,387	738,209,372	53,301,018,974	13.47%	2005
47,213,817,217	1,982,761,914	880,020,926	50,076,600,057	13.59%	2004
44,698,225,355	2,071,316,225	838,087,263	47,607,628,843	13.61%	2003
42,119,989,528	2,137,095,428	792,810,310	45,049,895,266	13.70%	2002
36,656,841,132	2,245,268,730	844,755,672	39,746,865,534	14.97%	2001
32,884,406,615	2,248,872,844	816,012,961	35,949,292,420	15.25%	2000
29,827,629,396	1,899,600,763	722,433,542	32,449,663,701	14.94%	1999
25,805,154,482	1,691,085,970	625,357,589	28,121,598,041	15.27%	1998



- (1) Source: 2007 Annual Abstract of Taxes, County Clerk
(2) Source: County Appraiser
(3) Source: County Records and Tax Administration Office

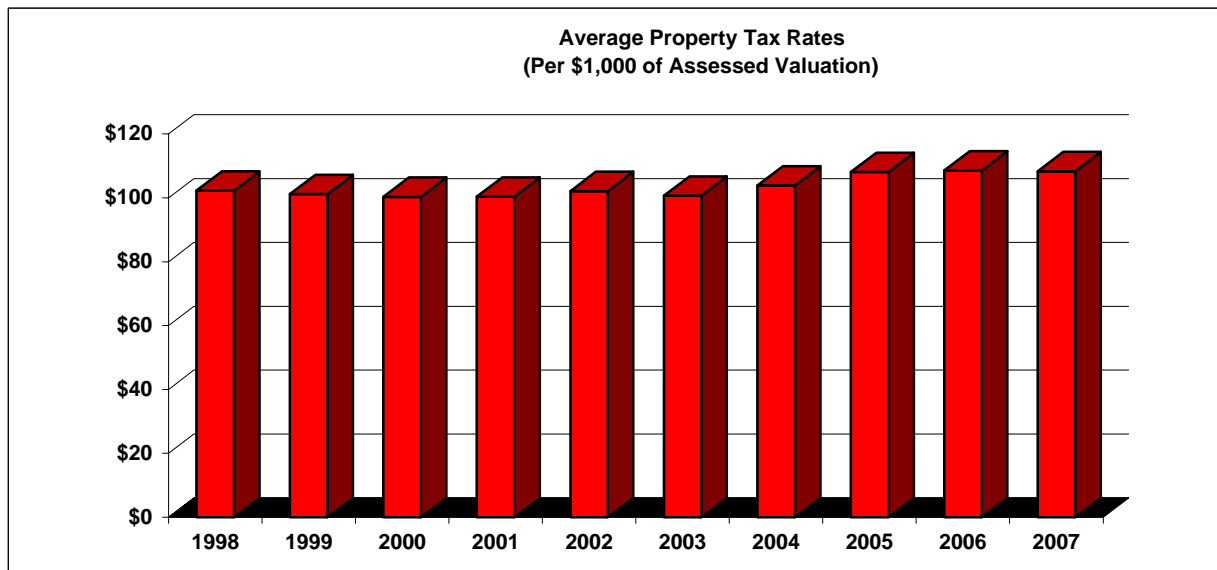
Johnson County, Kansas
Direct and Overlapping Property Tax Rates and Levies
Last Ten Fiscal Years
December 31, 2007

TAX RATES* Per \$1,000 of Assessed Valuation

Year	State	County	County Library	County Unified Wastewater
2007	1.500	17.985	2.962	-
2006	1.500	17.949	2.960	-
2005	1.500	17.922	2.955	-
2004	1.500	16.041	2.956	-
2003	1.500	16.381	2.954	-
2002	1.500	16.221	2.948	-
2001	1.500	16.333	2.971	4.181
2000	1.500	15.676	2.981	4.647
1999	1.500	16.112	3.137	5.166
1998	1.500	14.345	3.174	5.704

TAX LEVIES*

Year	State	County	County Library	County Unified Wastewater
2007	\$ 12,253,425	\$ 146,918,769	\$ 20,188,656	\$ -
2006	11,599,645	138,801,516	19,223,756	-
2005	10,767,737	128,653,133	17,874,333	-
2004	10,204,821	109,130,544	17,024,889	-
2003	9,721,939	106,170,083	16,253,256	-
2002	9,254,767	100,081,191	15,515,910	-
2001	8,926,600	97,198,941	15,100,256	18,778,160
2000	8,224,067	85,947,162	14,070,677	18,864,687
1999	7,274,174	78,134,627	13,083,792	18,408,076
1998	6,441,576	61,303,243	11,691,354	17,703,683



* Excludes special assessments.

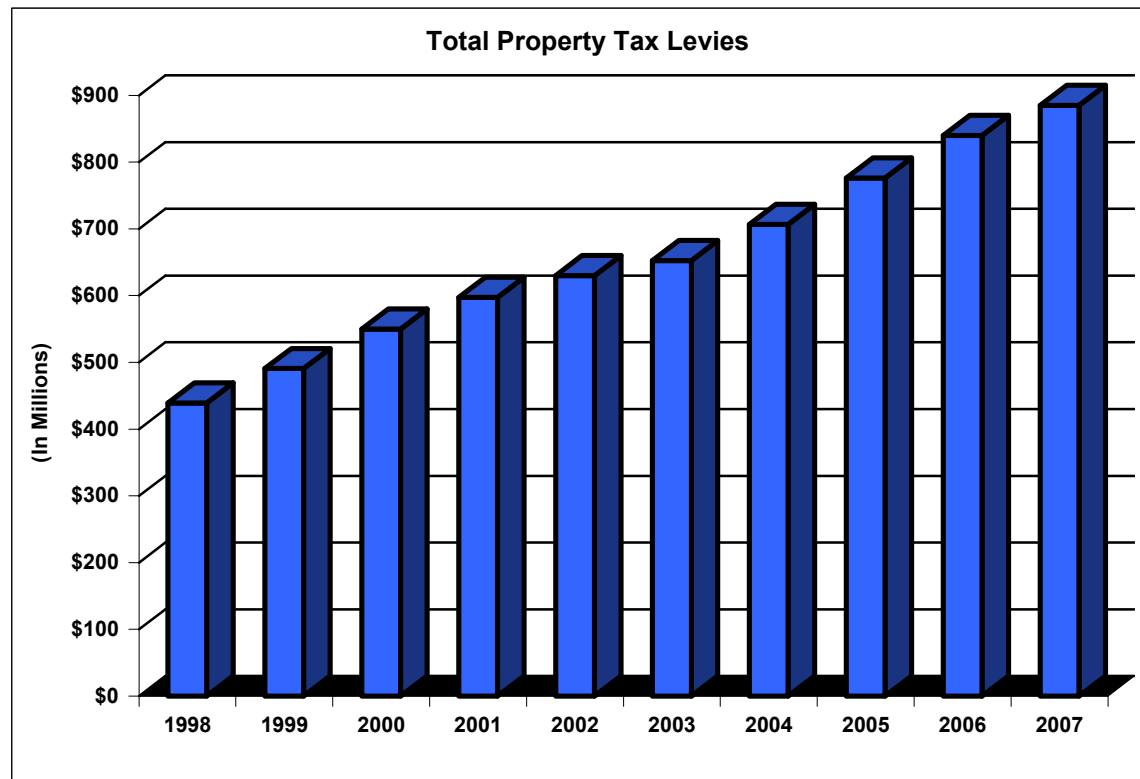
(1) Special Districts include Cemeteries, Drainage and Fire.

(2) Grand Total (Weighted Average) is calculated by dividing grand total levy dollars by total assessed value for real, personal and utility property and multiplying the result by 1000 to convert to whole dollars.

Johnson County, Kansas
Direct and Overlapping Property Tax Rates and Levies
Last Ten Fiscal Years
December 31, 2007

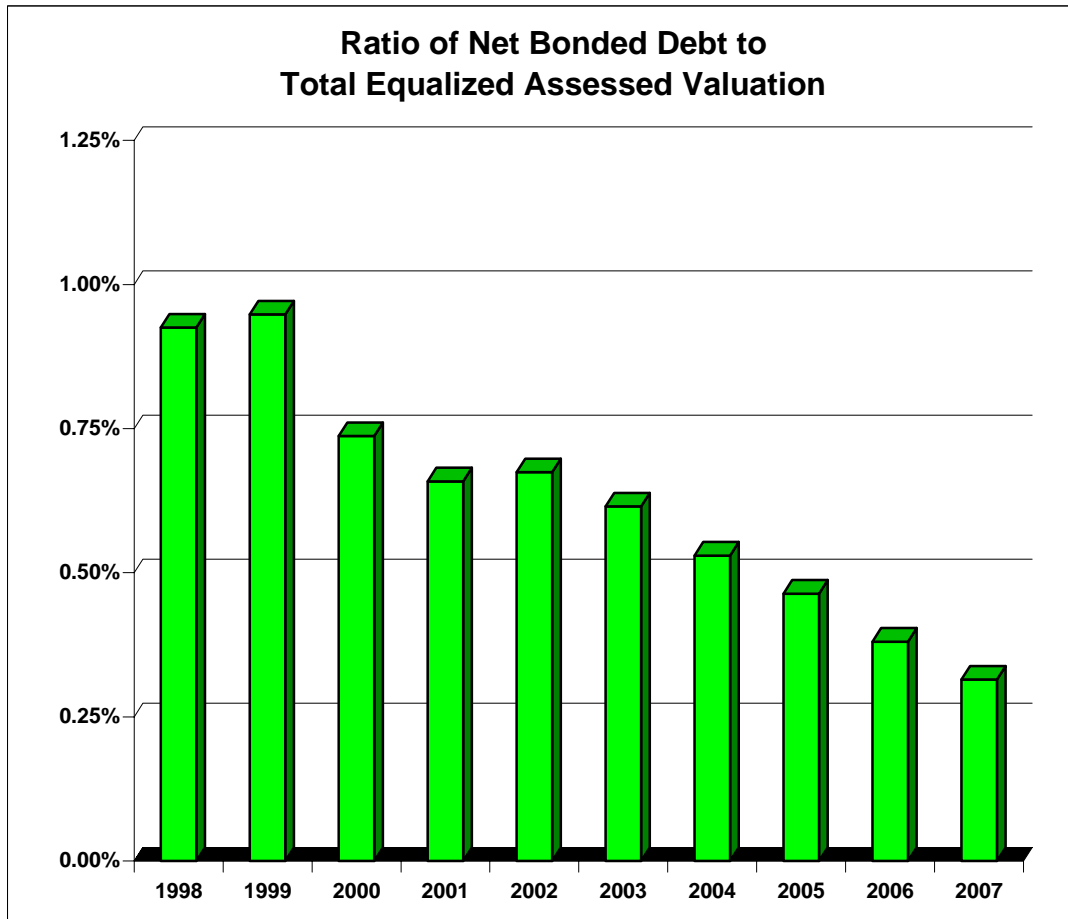
Cities Weighted Average	Townships Weighted Average	Schools Weighted Average	Special Districts Weighted Average (1)	Grand Total Weighted Average (2)	Year
18.435	0.093	66.605	2.868	108.328	2007
18.329	0.103	66.960	2.983	108.600	2006
17.880	0.107	67.407	4.006	108.111	2005
17.765	0.105	65.191	4.171	103.890	2004
17.605	0.096	61.794	4.266	100.683	2003
16.352	0.127	64.683	4.120	102.118	2002
16.022	0.122	60.045	4.086	100.389	2001
15.641	0.131	60.775	4.033	100.328	2000
16.261	0.136	60.123	4.184	101.192	1999
16.746	0.252	62.171	4.485	102.289	1998

Cities Total	Townships Total	Schools Total	Special Districts Total (1)	Grand Total	Year
\$ 145,315,726	\$ 36,302	\$ 544,089,809	\$ 16,125,343	\$ 884,928,030	2007
136,757,256	38,114	517,806,857	15,584,677	839,811,821	2006
123,832,405	36,766	483,878,913	11,029,781	776,073,068	2005
116,199,467	35,727	443,511,220	10,678,098	706,784,766	2004
109,752,979	34,974	400,506,830	10,116,055	652,556,116	2003
96,942,713	48,385	399,082,218	9,129,406	630,054,590	2002
91,663,877	47,677	357,330,140	8,375,661	597,421,312	2001
82,354,381	46,468	333,210,751	7,350,023	550,068,216	2000
75,551,786	43,329	291,563,556	6,668,141	490,727,481	1999
68,954,919	67,005	266,986,421	6,119,662	439,267,863	1998



Johnson County, Kansas
**Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**
December 31, 2007

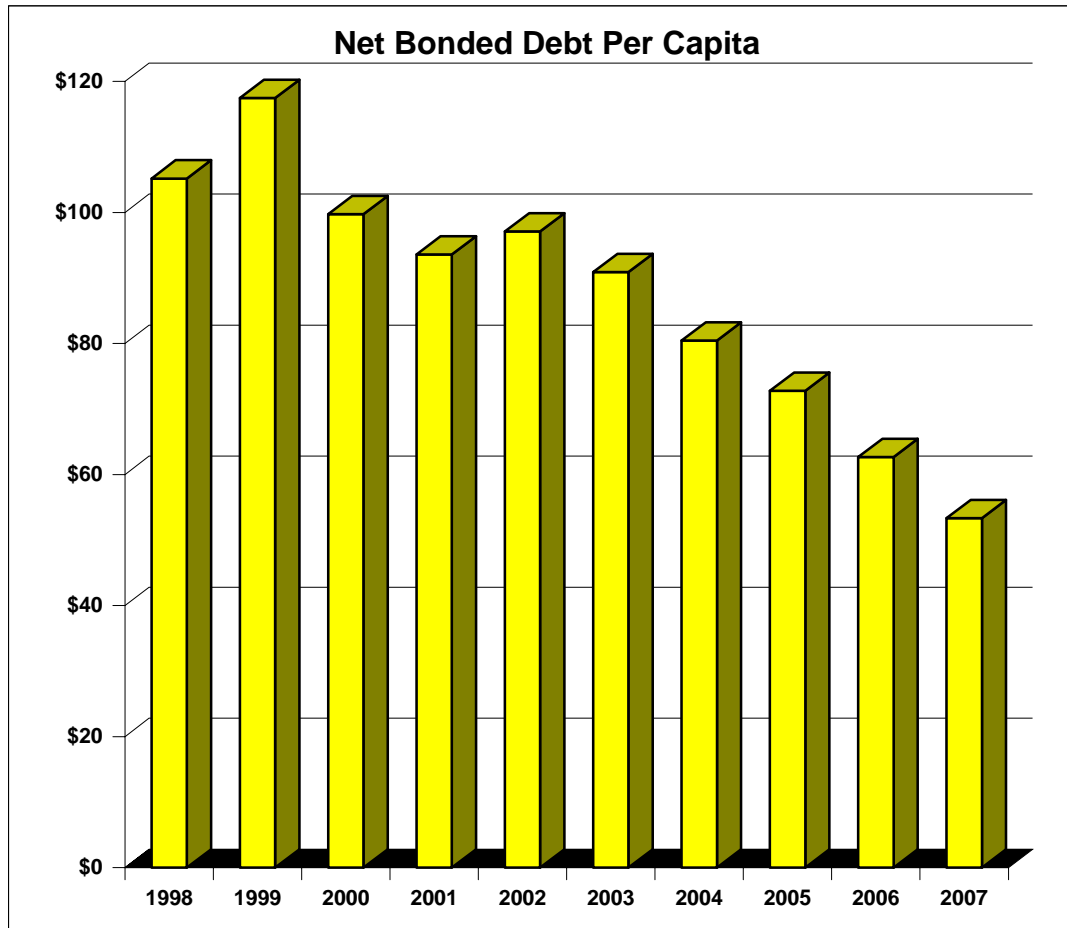
Year	Population (1)	Equalized Assessed Valuation	Bonded Debt	Debt Service Monies Available
2007	529,149	\$ 8,971,272,167	\$ 33,048,724	\$ 4,822,736
2006	517,533	8,520,507,858	37,438,903	5,013,455
2005	506,172	7,943,599,734	41,902,222	5,059,579
2004	496,892	7,546,046,482	45,143,595	5,170,446
2003	486,943	7,197,776,874	45,537,579	1,280,180
2002	476,009	6,852,688,743	49,586,888	3,369,799
2001	463,974	6,593,235,799	47,528,158	4,102,317
2000	454,514	6,147,085,632	49,344,572	4,022,768
1999	443,434	5,494,835,808	56,345,989	4,252,911
1998	432,723	4,918,739,861	48,841,449	3,326,244



(1) See Demographic Statistics, later in this section.

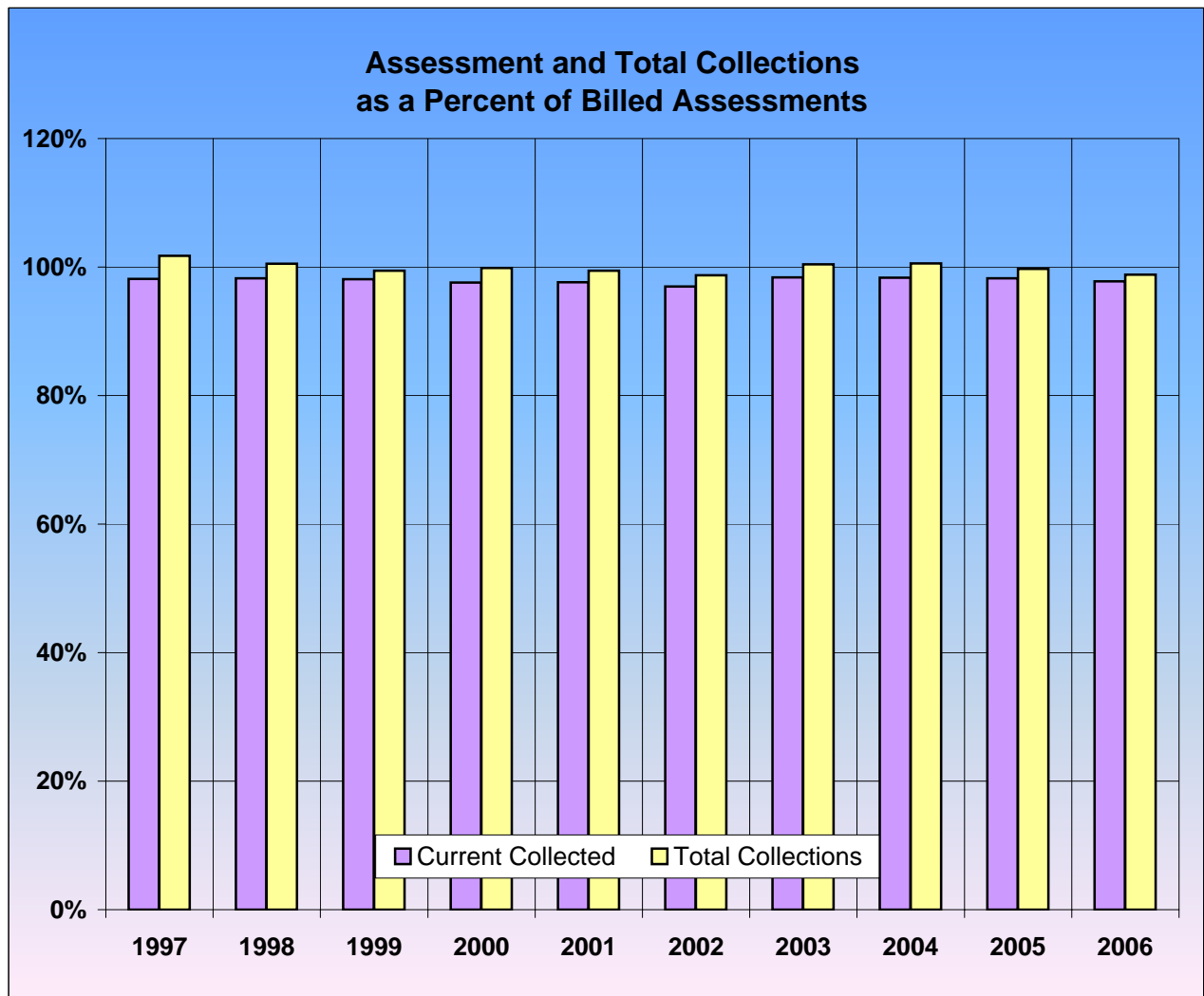
Johnson County, Kansas
**Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**
December 31, 2007

Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Valuation	Ratio of Net Bonded Debt Per Capita to Per Capita Income	Per Capita Income (1)	Net Bonded Debt Per Capita	Year
\$ 28,225,988	0.31%	0.10%	\$ 51,908	\$ 53.34	2007
32,425,448	0.38%	0.13%	49,984	62.65	2006
36,842,643	0.46%	0.15%	48,123	72.79	2005
39,973,149	0.53%	0.17%	46,443	80.45	2004
44,257,399	0.61%	0.21%	44,124	90.89	2003
46,217,089	0.67%	0.22%	44,111	97.09	2002
43,425,841	0.66%	0.21%	43,721	93.60	2001
45,321,804	0.74%	0.23%	43,618	99.71	2000
52,093,078	0.95%	0.29%	40,897	117.48	1999
45,515,205	0.93%	0.27%	38,895	105.18	1998



Johnson County, Kansas
Special Assessment Billings and Collections
Last Ten Fiscal Years
December 31, 2007

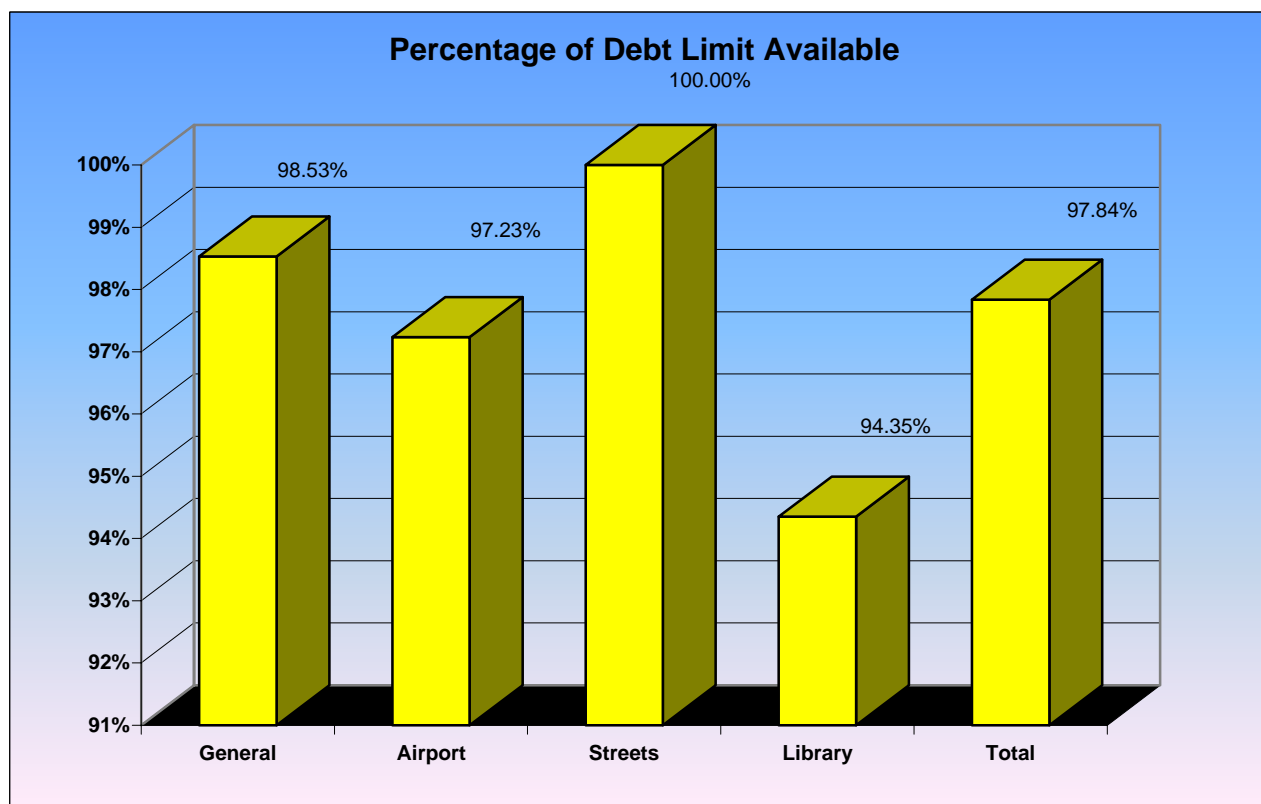
Levy Year (1)	Special Assessment Billings (2)	Special Assessment Collections (2)	Percent of Billings Collected	Delinquent Assessments Collected (3)	Total Assessments Collected	Percent of Total Collections to Billings
2006	\$ 24,331,631	\$ 23,787,628	97.76%	\$ 257,645	\$ 24,045,273	98.82%
2005	22,189,091	21,802,022	98.26%	327,123	22,129,145	99.73%
2004	20,960,580	20,609,184	98.32%	466,345	21,075,529	100.55%
2003	19,340,468	19,026,811	98.38%	397,305	19,424,116	100.43%
2002	18,235,003	17,683,463	96.98%	315,815	17,999,278	98.71%
2001	16,986,401	16,583,053	97.63%	305,914	16,888,967	99.43%
2000	15,884,347	15,498,442	97.57%	362,813	15,861,255	99.85%
1999	14,992,653	14,706,388	98.09%	200,836	14,907,224	99.43%
1998	14,222,778	13,971,667	98.23%	322,079	14,293,746	100.50%
1997	13,010,458	12,770,710	98.16%	465,855	13,236,565	101.74%



- (1) Taxes levied in 2006 are due December 20, 2006 but may be paid 50% by December 20, 2006 and 50% by May 10, 2007.
(2) Billings and collections include Johnson County and all municipalities within Johnson County.
(3) Delinquent tax collections may include collections of prior year delinquencies and current year delinquencies.

Johnson County, Kansas
Legal General Obligation Debt Margin Computation
December 31, 2007

	General	Airport	Streets	Library (3)	Total
Assessed Valuation for Debt Limitation Purposes	\$ 8,971,272,167	\$ 8,971,272,167	\$ 8,971,272,167	\$ 7,460,439,058	\$ 34,374,255,559
Percentage Limitation (1)	3.0%	1.0%	2.0%	2.0%	
Dollar Debt Limit	269,138,165	89,712,722	179,425,443	149,208,781	687,485,111
Outstanding Debt (2)	8,778,524	2,481,994	-	8,430,000	19,690,518
Debt Service Fund Balance	4,822,736	-	-	-	4,822,736
Net Outstanding Debt	3,955,788	2,481,994	-	8,430,000	14,867,782
Available Legal Debt Margin	<u>\$ 265,182,377</u>	<u>\$ 87,230,728</u>	<u>\$ 179,425,443</u>	<u>\$ 140,778,781</u>	<u>\$ 672,617,329</u>



(1) Source: 2007 Annual Abstract of Taxes, Johnson County Clerk, Kansas Statutes. General K.S.A. 10-306, Airport K.S.A. 3-307, Streets K.S.A. 68-584, Library K.S.A. 12-1257, Park and Recreation K.S.A. 19-2874.

(2) Includes all general obligation bonds and notes except voting machine bonds, which are not subject to debt limitation. Also excludes Wastewater General Obligation debt (which is supported by user charges). Does not include debt obligation exempt from statutory limitations. General K.S.A. 25-134, 10-307, 10-427A, 10-311, Airport K.S.A. 3-304, Street K.S.A. 68-728.

(3) Library total equalized tangible valuation excludes real and personal property located within the city limits of the City of Olathe, Kansas, and the City of Bonner Springs, Kansas.

Johnson County, Kansas
Direct and Overlapping Debt Computation
12/31/07

Entity	Total Debt (1)	Net Debt	Percent Applicable to Johnson County	Net Debt Applicable to Johnson County (2)	Total Assessed Valuation
Johnson County	\$ 33,765,063	\$ 28,942,327	100.00%	\$ 28,942,327	\$ 8,168,949,925
Cities					
Bonner Springs	20,692,413	20,384,396	3.94%	803,145	3,931,599
DeSoto	17,040,000	16,010,286	100.00%	16,010,286	59,316,493
Edgerton	2,420,000	2,420,000	100.00%	2,420,000	9,267,027
Fairway	5,575,000	5,543,989	100.00%	5,543,989	75,464,934
Gardner	50,787,000	50,530,544	100.00%	50,530,544	132,532,643
Lake Quivira	-	-	94.89%	-	23,148,505
Leawood	81,040,000	73,217,194	100.00%	73,217,194	742,394,866
Lenexa	122,175,000	111,899,579	100.00%	111,899,579	1,006,034,542
Merriam	23,060,000	23,050,310	100.00%	23,050,310	165,740,887
Mission	26,515,000	26,512,686	100.00%	26,512,686	138,130,056
Mission Hills	2,345,000	2,315,193	100.00%	2,315,193	148,104,545
Mission Woods	-	-	100.00%	-	7,376,015
Olathe	192,200,000	166,370,928	100.00%	166,370,928	1,349,132,064
Overland Park	196,580,000	196,479,600	100.00%	196,479,600	2,858,597,461
Prairie Village	1,680,000	1,631,567	100.00%	1,631,567	287,445,118
Roeland Park	22,471,745	22,466,800	100.00%	22,466,800	70,737,341
Shawnee	98,475,000	98,295,206	100.00%	98,295,206	739,676,456
Spring Hill	22,536,000	22,428,293	100.00%	22,428,293	34,419,821
Westwood	-	-	100.00%	-	23,923,574
Westwood Hills	-	-	100.00%	-	7,110,417
Total	885,592,158	839,556,571		819,975,320	7,882,484,364
School Districts					
Blue Valley U.S.D. 229	311,735,000	303,243,192	99.97%	303,152,219	2,370,239,221
Spring Hill U.S.D. 230	55,310,000	53,690,209	77.57%	41,647,495	80,522,461
Gardner U.S.D. 231	113,330,000	109,392,008	97.45%	106,602,512	231,072,213
DeSoto U.S.D. 232	152,955,000	144,956,122	100.00%	144,956,122	391,433,826
Olathe U.S.D. 233	248,043,876	241,779,532	100.00%	241,779,532	1,864,318,798
Wellsville U.S.D. 289	8,100,000	7,597,460	0.10%	7,597	20,910
Eudora U.S.D. 491	24,081,622	22,857,390	2.75%	628,578	863,056
Shawnee Mission U.S.D. 512	260,075,000	257,087,462	100.00%	257,087,462	3,230,479,440
Total	1,173,630,498	1,140,603,375		1,095,861,518	8,168,949,925
Other Entities					
Community College	3,495,000	1,936,822	100.00%	1,936,822	8,168,949,925
Park and Recreation	4,305,000	4,172,646	100.00%	4,172,646	8,168,949,925
Fire District #2	5,375,000	5,375,000	100.00%	5,375,000	188,109,944
Total	13,175,000	11,484,468		11,484,468	16,526,009,794
Total of Overlapping Debt				1,927,321,306	
Grand Total				\$ 1,956,263,633	

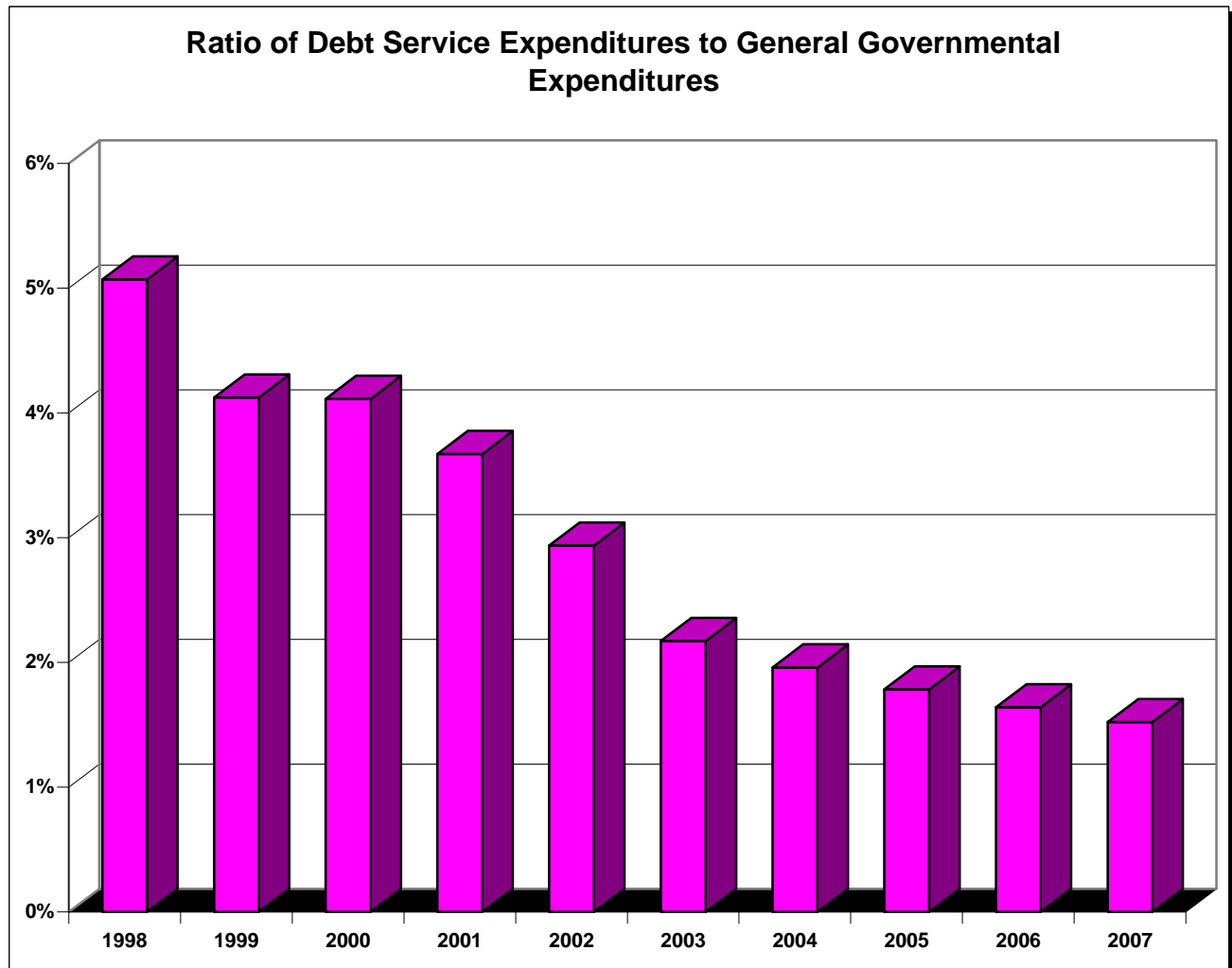
(1) Includes General Obligation Bonds, Special Assessment Bonds with governmental commitment and General Obligation Notes.

Excludes Wastewater General Obligation debt (which is supported by user charges).

(2) Based upon assessed valuation within Johnson County as a percent of total assessed valuation.

Johnson County, Kansas
**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures**
Last Ten Fiscal Years
December 31, 2007

Year	Principal	Interest and Fiscal Charges	Total Debt Service (1)	Total General Governmental Expenditures (2)	Debt Service to General Governmental Expenditures
2007	\$ 3,718,541	\$ 1,356,328	\$ 5,074,869	\$ 333,659,207	1.52%
2006	3,791,295	1,479,483	5,270,778	321,396,538	1.64%
2005	3,811,381	1,555,791	5,367,172	300,938,044	1.78%
2004	4,057,455	1,542,768	5,600,223	285,707,295	1.96%
2003	4,131,993	1,578,084	5,710,077	262,843,573	2.17%
2002	5,157,905	1,956,000	7,113,905	242,162,531	2.94%
2001	6,087,404	2,205,491	8,292,895	225,860,353	3.67%
2000	6,330,406	2,255,271	8,585,677	208,757,392	4.11%
1999	6,079,692	2,041,660	8,121,352	196,938,464	4.12%
1998	6,978,601	2,281,259	9,259,860	182,602,091	5.07%



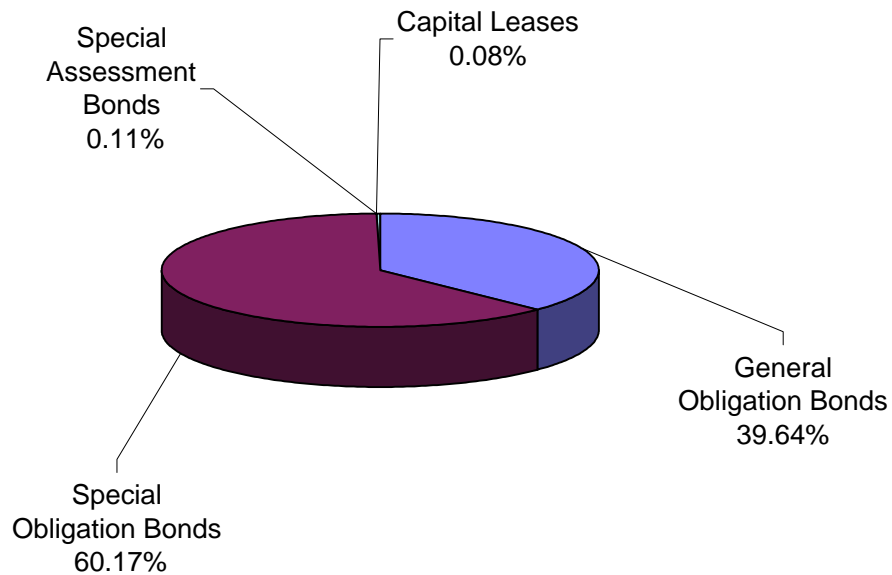
(1) Total Debt Service excludes Special Assessment debt with governmental commitment.

(2) Expenditures include general, special revenue and debt service funds.

Johnson County, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
December 31, 2007

Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Special Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Special Assessment Bonds
2007	\$ 10,773,156	\$ 18,160,000	\$ 26,346	\$ 49,377	\$ 181,206,249	\$ 689,993
2006	12,967,014	19,685,000	36,013	25,062	125,682,165	767,269
2005	15,173,626	21,270,000	47,680	29,405	135,808,286	833,696
2004	16,043,767	22,960,000	59,347	34,046	98,655,989	899,419
2003	18,416,222	20,200,000	71,014	64,144	92,206,570	1,036,398
2002	19,793,215	21,970,000	82,681	133,137	96,600,119	1,114,771
2001	13,488,812	24,995,000	96,429	310,221	103,279,346	1,155,413
2000	17,681,215	23,200,000	41,379	615,777	87,677,158	1,229,050
1999	22,521,621	24,690,000	51,326	586,090	93,123,169	1,332,686
1998	21,928,938	19,500,000	32,967	7,392,258	96,901,311	1,330,587

2007 Governmental Activities Outstanding Debt

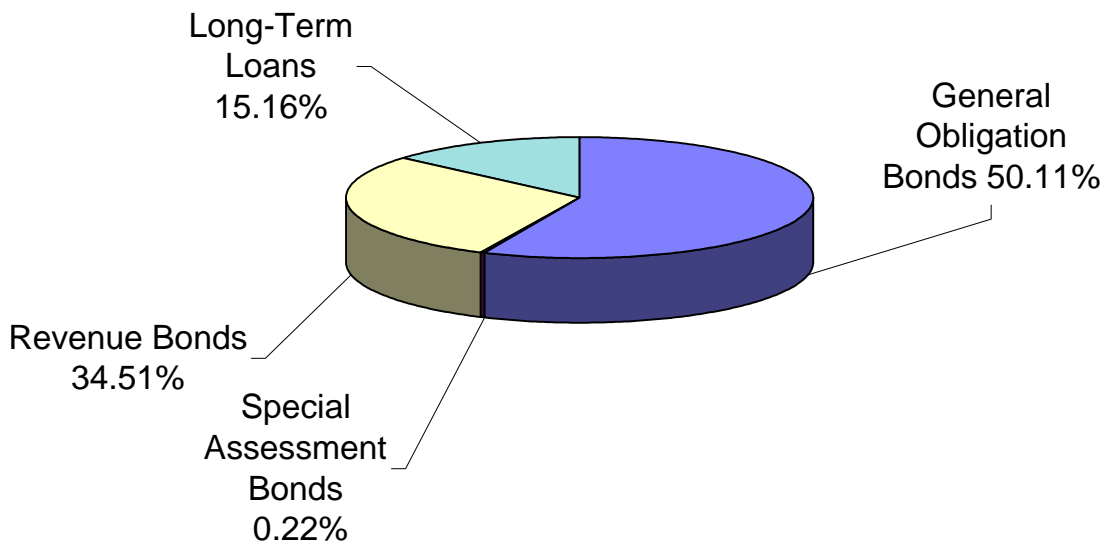


Johnson County, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
December 31, 2007

Business-Type Activities

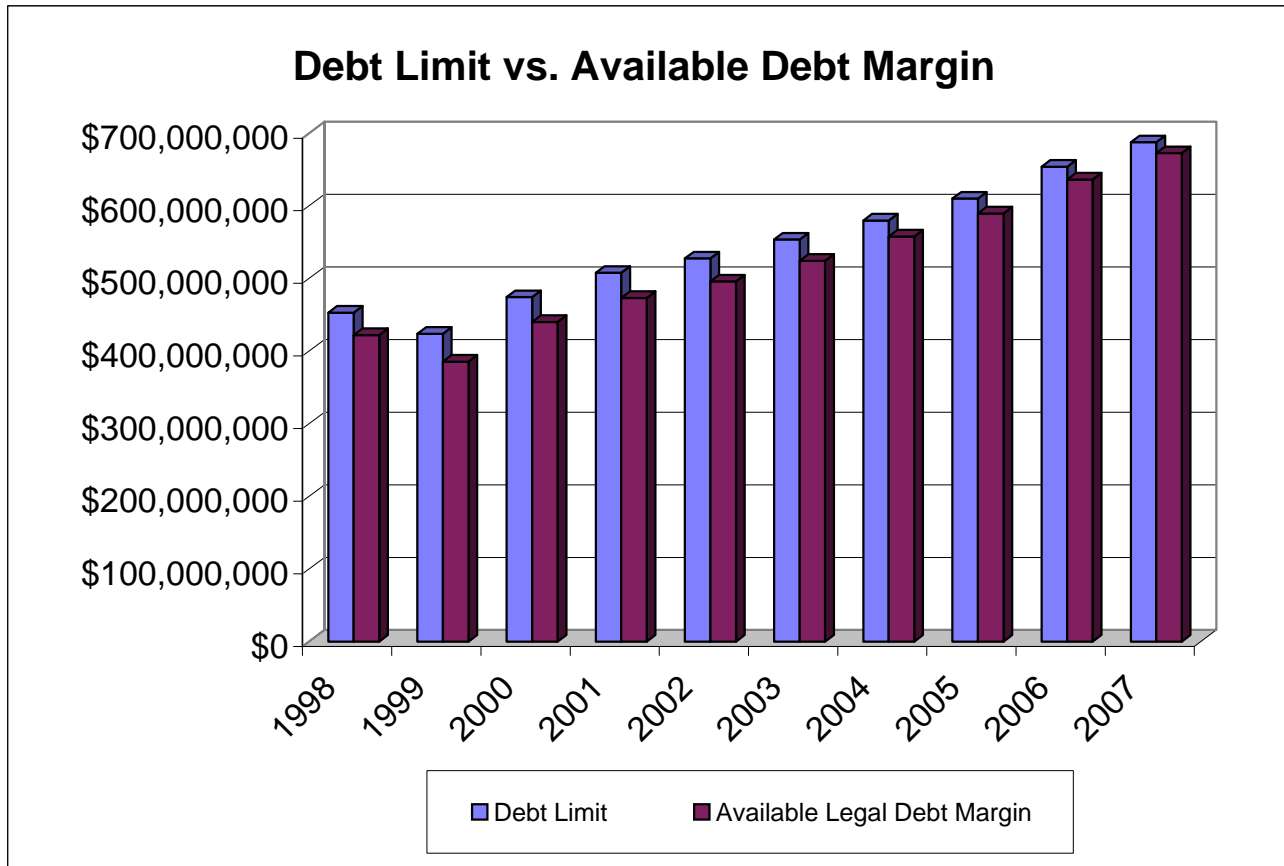
Revenue Bonds	Loan Payable	Capital Leases	Long-Term Loans		Total Primary Government	Percentage of Personal Income	Per Capita	Year
			Wastewater	Airport				
\$ 94,231,311	\$ -	\$ -	\$ 43,809,355	\$ 195,243	\$ 349,141,030	2.92%	\$ 659.82	2007
88,914,364	-	-	48,370,355	237,471	296,684,713	2.62%	573.27	2006
94,772,650	-	-	50,957,981	278,448	319,171,772	2.91%	630.56	2005
71,556,498	-	-	48,634,884	324,670	259,168,620	2.40%	518.88	2004
52,935,400	-	-	47,573,277	330,518	232,833,543	2.21%	476.90	2003
35,990,715	1,185,000	-	50,515,245	180,059	227,564,942	2.16%	482.95	2002
40,305,000	-	13,756	54,010,207	189,135	237,843,319	2.66%	515.89	2001
46,280,000	-	33,117	57,321,109	-	234,078,805	2.89%	518.92	2000
52,285,000	-	45,871	59,687,014	-	254,322,777	3.52%	577.36	1999
67,680,000	-	329,208	56,614,383	-	271,709,652	4.25%	634.48	1998

2007 Business-Type Activities Outstanding Debt



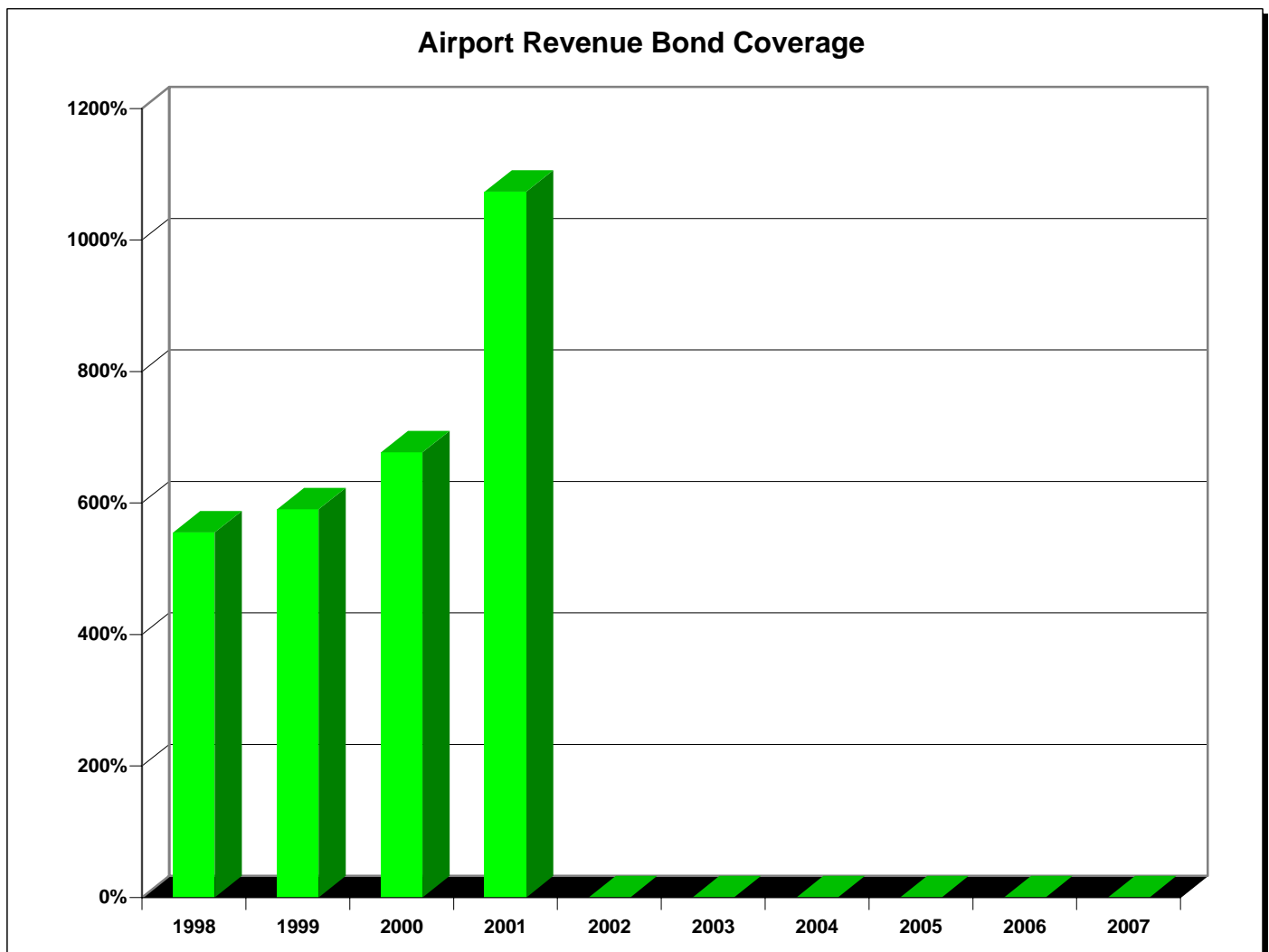
Johnson County, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years
December 31, 2007

Year	Debt Limit	Outstanding Debt	Debt Service Fund Balance	Net Outstanding Debt	Available Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2007	\$ 687,485,111	\$ 19,690,518	\$ 4,822,736	\$ 14,867,782	\$ 672,617,329	2.16%
2006	653,816,162	22,606,006	5,013,455	17,592,551	636,223,611	2.69%
2005	609,941,025	25,589,494	5,059,579	20,529,915	589,411,110	3.37%
2004	579,953,669	27,342,982	5,170,446	22,172,536	557,781,133	3.82%
2003	553,538,426	30,573,970	1,280,180	29,293,790	524,244,636	5.29%
2002	527,564,794	35,097,958	3,369,799	31,728,159	495,836,635	6.01%
2001	507,796,093	38,697,751	4,102,317	34,595,434	473,200,659	6.81%
2000	474,222,720	38,116,931	4,022,768	34,094,163	440,128,557	7.19%
1999	423,825,606	42,576,112	4,252,911	38,323,201	385,502,405	9.04%
1998	453,012,184	34,424,335	3,346,554	31,077,781	421,934,403	6.86%



Johnson County, Kansas
Airport Revenue Bond Coverage
Last Ten Fiscal Years
December 31, 2007

Year	Gross (1) Revenue	Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2007	\$ 4,557,409	\$ 3,188,825	\$ 1,368,584	\$ -	\$ -	\$ -	-
2006	4,298,079	3,080,079	1,218,000	-	-	-	-
2005	4,576,078	2,955,499	1,620,579	-	-	-	-
2004	4,143,541	2,870,753	1,272,788	-	-	-	-
2003	6,301,970	2,113,989	4,187,981	-	-	-	-
2002	3,994,798	1,987,798	2,007,000	-	-	-	-
2001	3,058,215	1,692,819	1,365,396	120,000	7,200	127,200	1073%
2000	3,372,961	1,350,936	2,022,025	275,000	23,700	298,700	677%
1999	2,596,559	829,482	1,767,077	260,000	39,300	299,300	590%
1998	2,547,055	861,444	1,685,611	250,000	53,550	303,550	555%



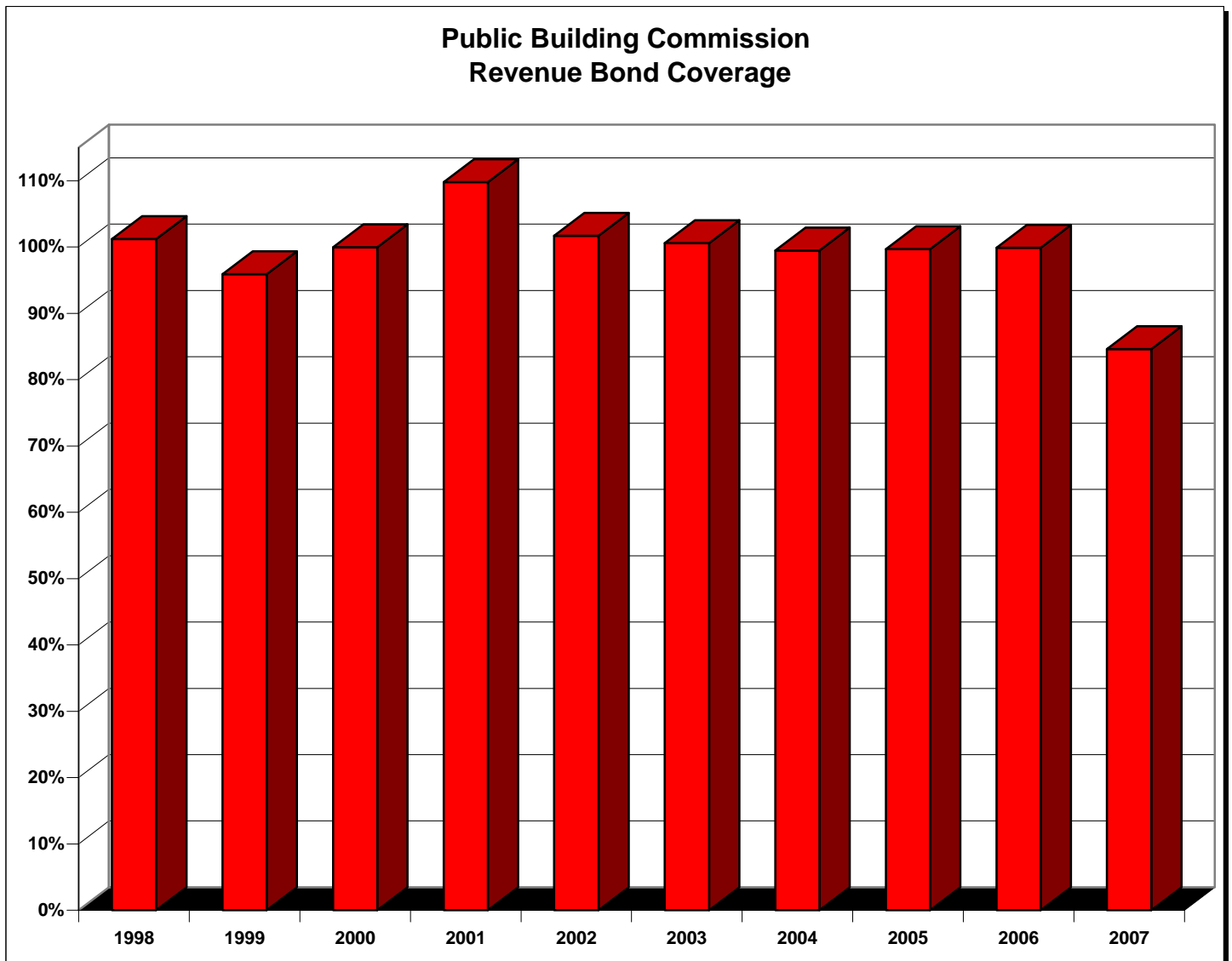
(1) Excludes interest income, tax revenues and intergovernmental revenues.

(2) Excludes depreciation expense, interest expense, and tax supported expenditures.

(3) All airport revenue bonds were paid off during 2002.

Johnson County, Kansas
Public Building Commission Revenue Bond Coverage
Last Ten Fiscal Years
December 31, 2007

Year	Gross		Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
	Revenue (1)	Expenses (2)		Principal	Interest	Total	
2007	\$ 8,977,685	-	\$ 8,977,685	\$ 6,615,000	\$ 3,994,571	\$ 10,609,571	85%
2006	9,555,791	-	9,555,791	5,940,000	3,626,645	9,566,645	100%
2005	7,607,682	-	7,607,682	4,900,000	2,731,474	7,631,474	100%
2004	6,053,241	-	6,053,241	4,205,000	1,880,574	6,085,574	99%
2003	7,983,410	-	7,983,410	6,555,000	1,382,913	7,937,913	101%
2002	8,210,982	-	8,210,982	6,000,000	2,074,198	8,074,198	102%
2001	9,002,264	-	9,002,264	5,855,000	2,344,815	8,199,815	110%
2000	8,327,683	-	8,327,683	5,730,000	2,599,550	8,329,550	100%
1999	7,968,506	-	7,968,506	5,520,000	2,790,123	8,310,123	96%
1998	4,964,243	-	4,964,243	2,640,000	2,266,056	4,906,056	101%

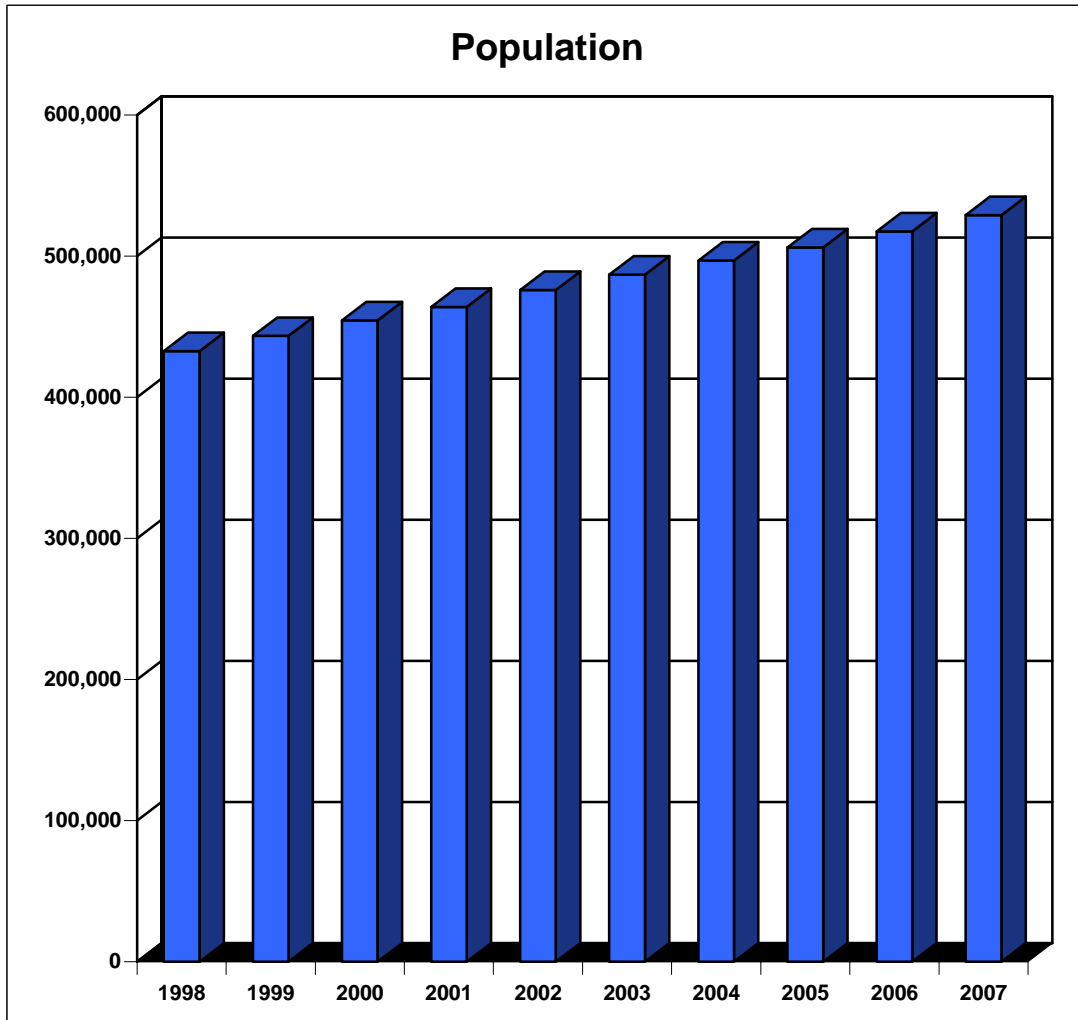


(1) Excludes interest income.

(2) Excludes depreciation expense and interest expense.

Johnson County, Kansas
Demographic Statistics
Last Ten Fiscal Years
December 31, 2007

Year	Population (1)		Per Capita Income (2)		Median Age (1)		Personal Income(2)	
2007	529,149	**	\$ 51,908	*	36.43	\$	25,823,490	*
2006	517,533	**	49,984	*	36.00		24,866,327	*
2005	506,172		48,123		36.42		23,940,506	
2004	496,892		46,443		36.20		23,104,730	
2003	486,943		44,124		35.80		21,668,847	
2002	476,009		44,111		35.70		21,002,776	
2001	463,974		43,721		35.40		20,289,292	
2000	454,514		43,618		35.20		20,078,760	
1999	443,434		40,897		35.50		18,135,099	
1998	432,723		38,895		35.30		16,830,935	



* County estimate based upon information from the Bureau of Economic Analysis

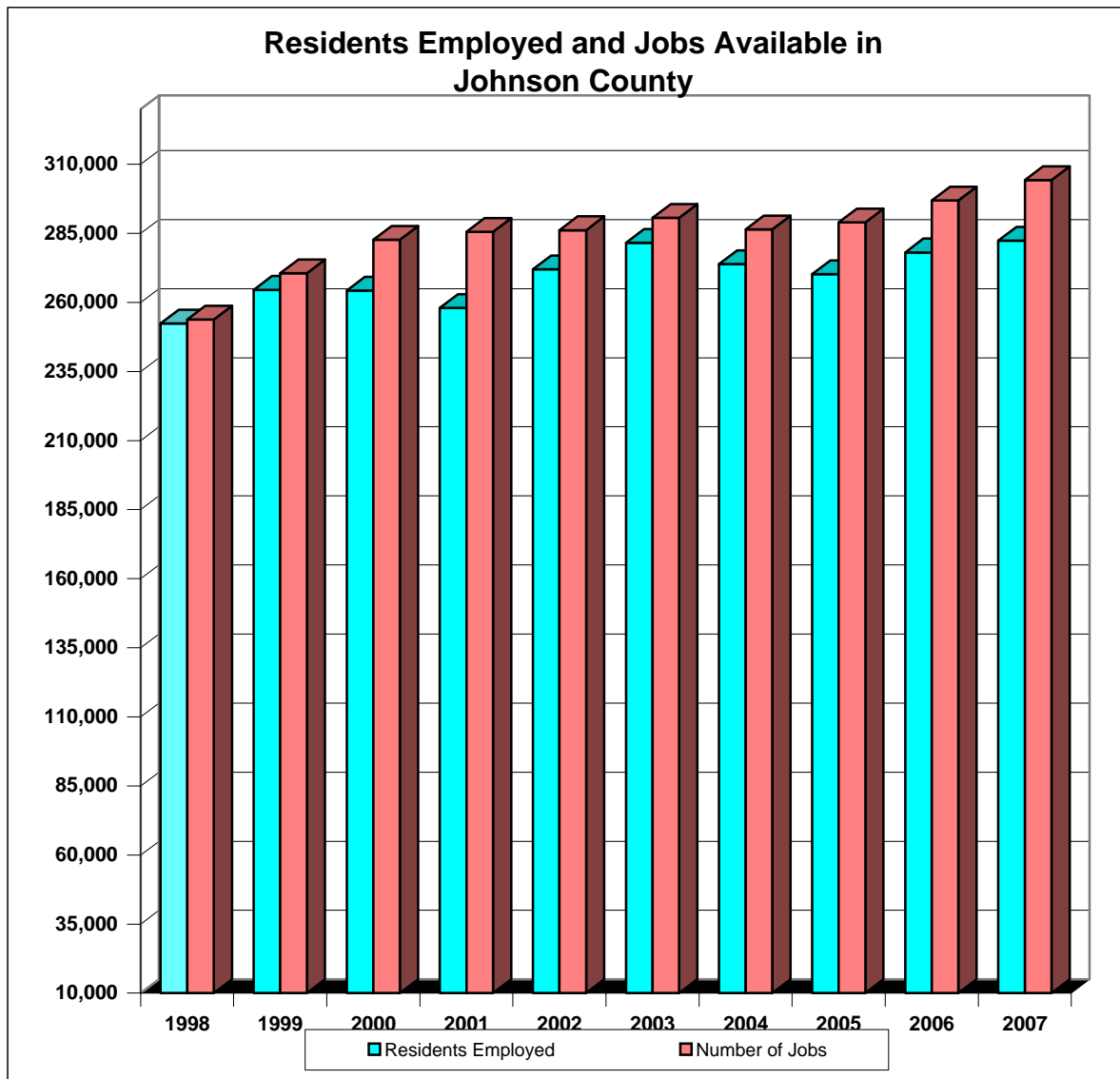
** County estimate based upon information from the Bureau of Economic Analysis

(1) Bureau of Economic Analysis

(2) Bureau of Economic Analysis

Johnson County, Kansas
Demographic Statistics
Last Ten Fiscal Years
December 31, 2007

Year	Residents Employed (1)	Unemployment Rate (1)	Number of Employers (2)	Number of Jobs (2)	Gross Payroll (2)
2007	282,346	3.70%	17,847 *	304,240 *	\$ 13,668,748,043 *
2006	278,108	4.10%	17,514 *	296,860 *	12,816,457,000 *
2005	270,262	4.70%	17,130	288,975	11,947,775,000
2004	273,859	4.80%	16,799	286,400	11,313,037,000
2003	281,561	4.07%	16,281	290,619	10,958,304,000
2002	271,994	3.80%	16,117	286,164	10,793,534,000
2001	257,984	3.40%	15,938	285,510	10,518,219,000
2000	264,242	2.40%	15,894	282,652	9,883,631,000
1999	264,558	1.90%	15,507	270,599	8,948,025,000
1998	252,345	2.60%	14,971	253,795	8,097,248,000



* Estimated based upon prior years data.

(1) U.S. Department of Labor Bureau of Labor Statistics and KS Dept. of Human Resources & Kansas Statistical Abstract.

(2) County Business Patterns, Bureau of the Census and Kansas Statistical Abstract

Johnson County, Kansas
Principal Taxpayers and Employers
December 31, 2007

Principal Taxpayers

Taxpayer	Type of Business	2007			1998		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sprint Corporation	Telecommunications	\$ 73,210,153	1	0.90%	\$ 59,649,445	2	1.39%
Kansas City Power and Light	Utility	69,189,173	2	0.85%	50,215,778	3	1.17%
UCM/SREP-Corporate Woods	Real Estate	63,316,421	3	0.78%			
Southwestern Bell	Telecommunications	61,308,731	4	0.75%	67,065,002	1	1.56%
Oak Park Investment LP	Real Estate	50,383,986	5	0.62%			
Town Center Plaza	Real Estate	25,935,959	6	0.32%	15,668,668	7	0.37%
Lenexa Industrial Park, Inc.	Real Estate	23,416,857	7	0.29%			
Perg Building, LLC	Shopping Center	22,792,604	8	0.28%			
Highwoods Realty Ltd	Real Estate	20,065,008	9	0.25%	21,386,884	6	0.50%
Central Tennessee Hospital	Medical	18,700,893	10	0.23%			
Challenger, Inc.	Real Estate				50,035,285	4	1.17%
Comdisco Inc.	Leasing Business Equipment				11,097,397	9	0.26%
Parkproperty Inc.	Hotels				10,515,150	10	0.25%
Lighton Plaza General	Office Building				14,728,551	8	0.34%
Knickerbocker Properties	Real Estate				42,938,378	5	1.00%
Total		\$ 428,319,785		5.24%	\$ 343,300,538		8.01%

Source: Johnson County Clerk

Principal Employers

Employer	Type of Business	2007			1998		
		Employees in County	Rank	Percentage of Total Employment	Employees in County *	Rank	Percentage of Total Employment
Sprint/Nextel	Telecommunications	9,600	1	3.45%	5,000	1	1.98%
Olathe Unified School District	Public Education (K-12)	4,393	2	1.58%	1,000	16	0.40%
Johnson County Government	Local Government	4,091	3	1.47%	2,500	3	0.99%
Shawnee Mission School District	Public Education (K-12)	4,063	4	1.46%	3,000	2	1.19%
Black & Veatch	Engineering Services	3,600	5	1.29%	2,500	4	0.99%
Blue Valley School District #229	Public Education (K-12)	3,000	6	1.08%	1,000	9	0.40%
Shawnee Mission Medical Center	Healthcare Services	2,752	7	0.99%	2,000	7	0.79%
Johnson Co Community College	Public Education (Junior College)	2,648	8		2,500	5	0.99%
Embarq	Telecommunications	2,466	9	0.89%			
United Parcel Services	Parcel Post	2,206	10	0.79%	1,000	18	0.40%
Olathe Health System Inc.	Healthcare Services	2,191	11	0.79%	1,000	15	0.40%
Garmin International Inc	Communication Equip Mfg	2,030	12	0.73%			
Overland Park Regional Med Center	Healthcare Services	2,000	13	0.72%			
Deffenbaugh Industries	Refuse Disposal	1,560	14	0.56%	1,000	11	0.40%
TransAm Trucking Inc	Transportation	1,500	15	0.54%			
City of Overland Park	City Government	1,383	16	0.50%			
Farmers Ins.-HelpPoint Service Ctr	Insurance	1,300	17	0.47%			
YRC Worldwide	Transportation	1,224	18	0.44%	1,000	20	0.40%
J.C. Penney	Retail Store/Catalog Operations	1,200	19	0.43%	2,000	6	0.79%
Prescription Solutions	Healthcare Services	1,200	20	0.43%			
Innovex	Clinical Research				1,000	15	0.40%
AlliedSignal General Aviation Avionics	Electronic Aviation Equipment				1,000	8	0.40%
Dillards	Department Store/Retail				1,000	12	0.40%
GE/Montgomery Ward Credit	Credit Services				1,000	14	0.40%
Olsten Kimberly Quality Care	Medical Services				1,000	17	0.40%
Columbia O.P. Regional Medical Center	Hospital				1,000	10	0.40%
Four B Corp. (dba HyVee, Hen House)	Retail Grocer				1,000	13	0.40%
Yellow Corporation	Oil and Gas Extraction				1,000	19	0.40%
Total		54,407		18.61%	33,500		13.28%

* Only estimates are available for 1998

Source: Above company information verified in at least two of the following sources.

[Dun & Bradstreet Million Dollar Database](#)

[Reference USA Online Business Directory](#)

[Sorkins Online Directory of Business & Government](#)

[Directory of Major Johnson County Employers 2007](#), CERl, Overland Park, KS c. 2007

Johnson County, Kansas
Operating Indicators by Function/Program
Last Six Fiscal Years (1)
December 31, 2007

		Fiscal Year					
		2002	2003	2004	2005	2006*	2007*
GOVERNMENTAL ACTIVITIES:							
<u>General Government</u>							
<i>Appraiser</i>	Number of parcels appraised per year	226,107	225,847	230,097	235,517	239,075	241,450
<i>Elections/Registration</i>	Number of voter registration applications processed	69,177	93,925	125,650	34,965	59,750	37,500
<u>Public Safety</u>							
<i>Public Safety Communication</i>	Calls dispatched for Fire and EMS units	39,072	37,744	40,659	41,512	41,629	44,240
<i>Sheriff</i>	Number of persons screened for entry into courthouse	602,910	686,468	650,121	630,423	649,340	668,820
	Inmates booked	14,833	15,386	16,281	16,851	18,047	19,329
	Number of calls for service (patrol)	40,669	37,338	33,534	41,753	43,006	44,296
	Number of calls for service (dispatch)	120,026	129,488	133,803	156,157	160,842	165,667
	Number of 911 calls received	37,093	35,370	38,362	64,396	66,328	68,318
<i>Emergency Management & Homeland Security</i>	Number of households receiving information annually	26,250	18,000	22,000	28,000	28,000	28,000
	Number of classes/orientations held	24	250	600	800	900	900
<u>Health and Human Services</u>							
<i>Environmental</i>	Number of times public accesses the department's internet home page	26,490	82,490	105,319	125,492	138,041	144,943
	Number of laboratory analyses	28,504	30,989	32,311	38,388	35,000	36,050
<i>Human Services and Aging</i>	Number of home-delivered meals	140,360	132,061	145,770	145,792	150,000	155,000
	Number of aging services volunteer hours	28,891	27,648	30,163	33,793	35,000	36,000
<i>Public Health</i>	Number of vaccines administered	25,335	25,232	26,206	26,503	26,000	25,200
	Number of low-income clients under 200% of poverty line receiving services	14,225	14,040	16,061	16,061	16,100	17,500
<u>Culture and Recreation</u>							
<i>Library Operating</i>	Number of items selected to develop Collections (2)	143,227	107,019	110,930	99,567	110,930	128,096
	Number of volunteer hours in support of Library	28,040	27,864	25,970	30,655	32,000	32,000
BUSINESS-TYPE ACTIVITIES:							
<u>Transportation</u>							
	Total annual ridership (transit/paratransit)	399,170	405,000	368,249	392,402	408,100	428,500
	Number of total miles all vehicles travel per day	8,000	8,100	8,200	8,300	8,300	8,300

Source: County Budget book and various department data

* Some 2006 numbers estimated. All 2007 numbers are estimates.

Note: Indicators for Public Works, Planning and economic development, Airport, Unified Wastewater District, and Public Building Commission are not available.

(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

(2) Represents the increase in number of items being added to the Library inventory.

Johnson County, Kansas
Capital Asset Statistics by Function
Last Six Fiscal Years (1)
December 31, 2007

		Fiscal Year					
		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
GOVERNMENTAL ACTIVITIES:							
<u>General Government</u>							
	Department of Motor Vehicle buildings	2	2	2	2	2	2
<u>Public Works</u>							
	Miles of hard surface pavement	261	267	270	273	279	275
	Miles of gravel surface	248	243	240	239	234	237
<u>Public Safety</u>							
	Med-Act Stations	17	17	17	17	17	17
	Jails	2	2	2	2	2	2
	Courthouse	1	1	1	1	1	1
<u>Health and Human Services</u>							
	Community Assistance Centers	6	6	6	6	6	6
<u>Culture and Recreation</u>							
	Number of Libraries	13	13	13	13	13	13
	Museums	3	3	3	3	3	3
	Parks	19	19	19	19	20	20
BUSINESS-TYPE ACTIVITIES:							
<u>Airport</u>							
	Number of Airports	2	2	2	2	2	2
<u>Unified Wastewater District</u>							
	Total existing footage of sewer line	10,117,460	10,303,544	8,948,312	9,222,943	10,913,138	11,099,933
	Total existing sewer permits	103,128	106,210	108,581	110,950	112,630	113,951
	Water Treatment Plants	7	7	7	7	7	7
<u>Transportation</u>							
	Approximate Total of County Public Transportation Vehicles	100	100	100	100	100	100

Source: County Budget book and various department data

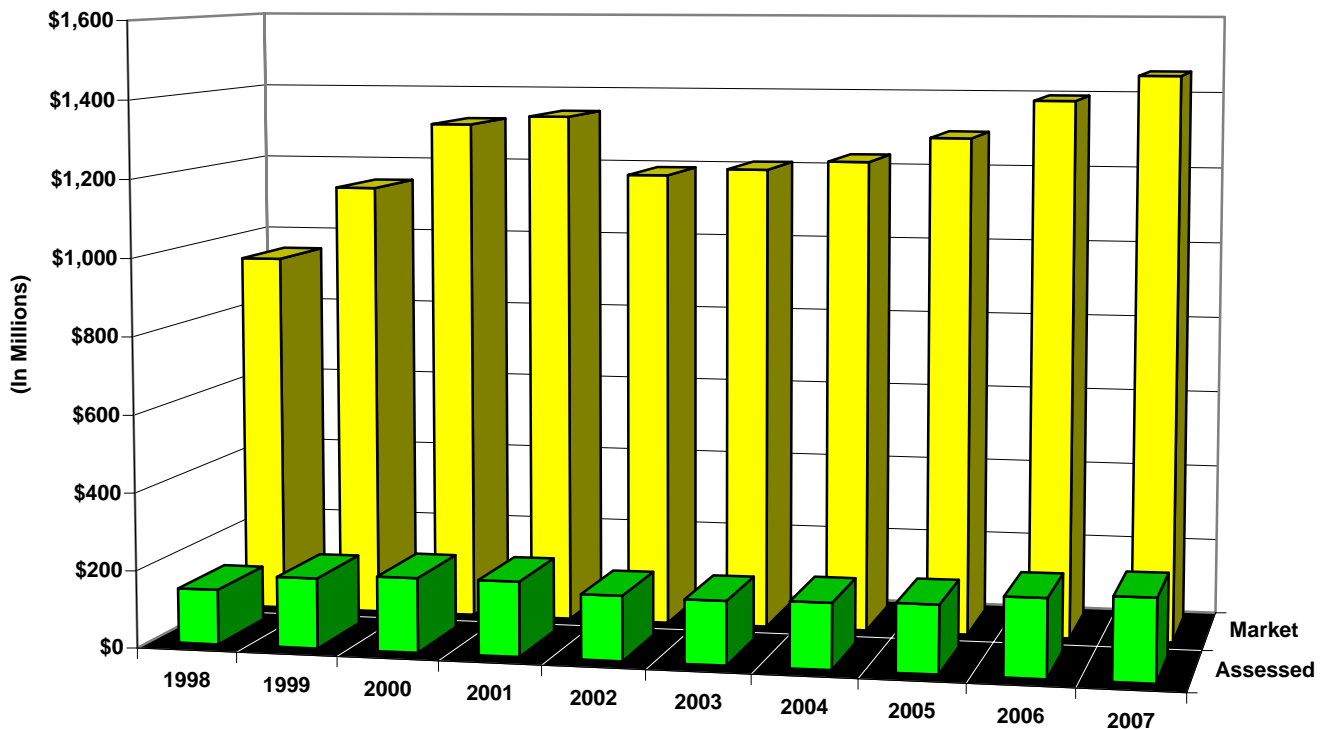
Note: Indicators for Planning and economic development and Public Building Commission are not available.

(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
Value of New Construction
Last Ten Fiscal Years
December 31, 2007

Year	Estimated Market Value Residential	Estimated Market Value Commercial	Assessed Value of New Residential Construction	Assessed Value of New Commercial Construction	Number of Residential Units	Number of Commercial Units
2007	\$ 1,125,588,542	\$ 332,491,034	\$ 129,443,110	\$ 83,132,723	5,809	235
2006	1,085,036,091	307,003,462	124,795,223	76,542,333	6,626	243
2005	1,099,564,723	194,495,107	126,448,643	48,556,550	6,970	209
2004	1,021,300,272	208,472,500	117,449,841	52,118,145	6,956	192
2003	1,021,727,478	185,176,360	117,498,269	46,276,165	6,774	213
2002	967,075,857	221,519,130	111,213,026	55,409,520	6,133	164
2001	1,055,636,483	284,002,280	121,398,135	71,031,818	6,716	231
2000	1,025,642,128	291,092,120	119,433,151	72,600,819	7,595	262
1999	855,831,077	288,317,899	109,514,923	72,106,656	6,626	243
1998	707,463,619	242,616,514	81,397,876	60,562,649	4,331	176

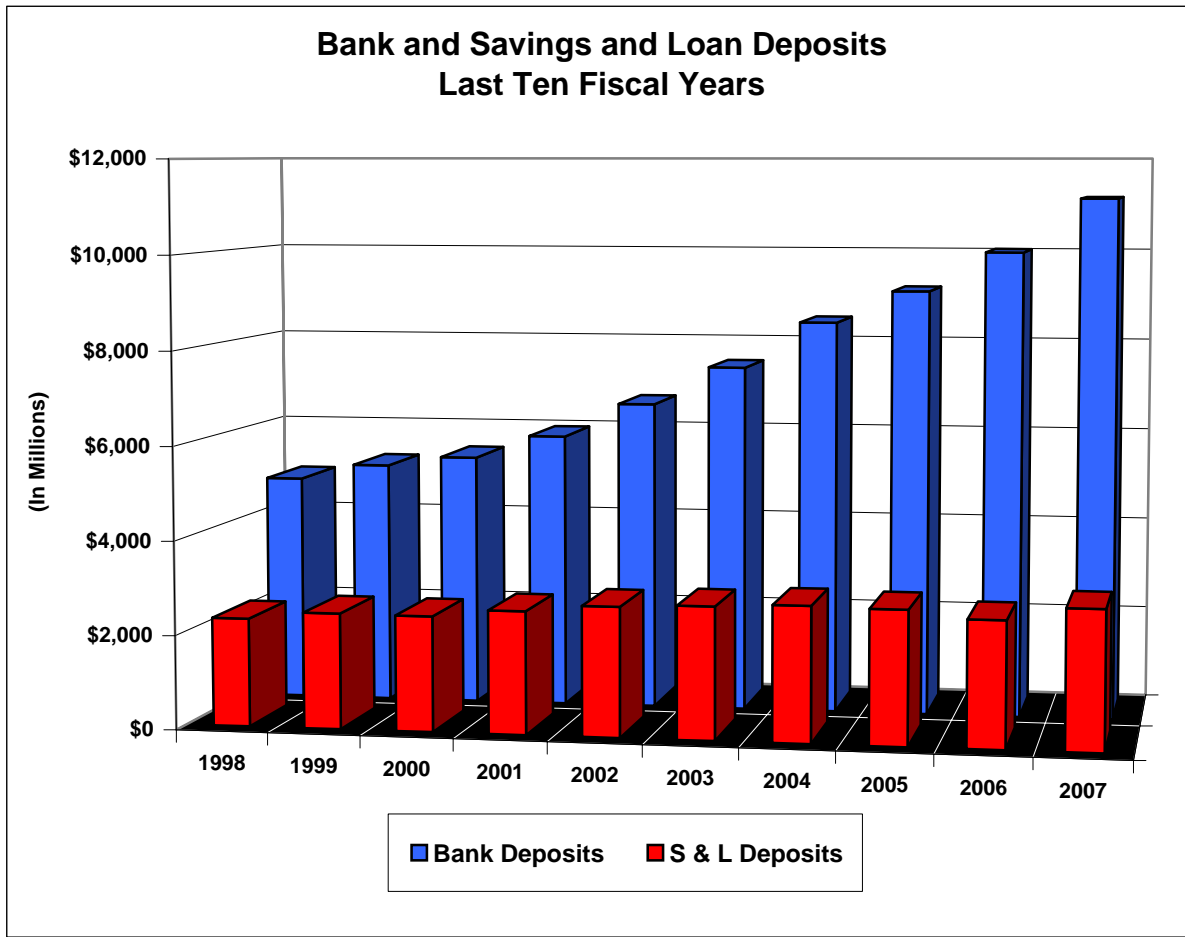
Market and Assessed Valuation for New Construction
Last Ten Fiscal Years



Source: Johnson County Appraiser

Johnson County, Kansas
Bank and Savings and Loan Deposits
Last Ten Fiscal Years
December 31, 2007

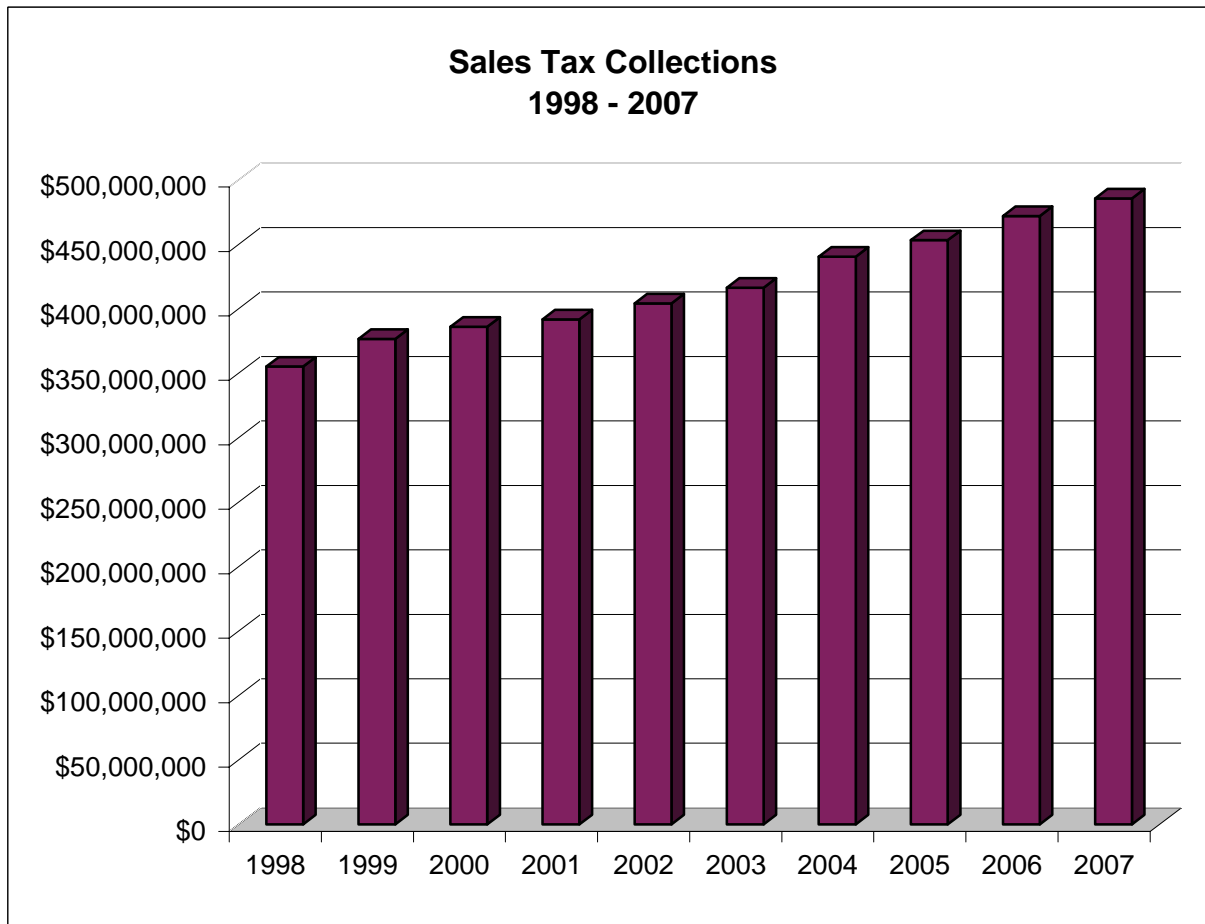
Year	Commercial Banks (1)		Savings & Loan Associations (1)	
	Number of Institutions	Deposits at June 30	Number of Offices	Deposits at June 30
2007	55	\$ 11,158,000,000	33	\$ 2,947,000,000
2006	54	10,005,000,000	30	2,671,000,000
2005	50	9,162,000,000	39	2,836,000,000
2004	49	8,474,000,000	38	2,869,000,000
2003	48	7,478,000,000	36	2,805,000,000
2002	47	6,653,589,000	40	2,751,646,000
2001	44	5,918,383,000	40	2,605,728,000
2000	38	5,422,554,000	45	2,451,859,000
1999	39	5,212,678,000	42	2,462,579,000
1998	39	4,890,552,000	36	2,306,133,000



(1) Federal Deposit Insurance Corporation.

Johnson County, Kansas
Gross Sales and Sales Tax Collections
Last Ten Fiscal Years
December 31, 2007

Year	Gross Sales	Increase (Decrease) Over 1998 Base	Increase (Decrease) Over Previous Year	Sales Tax Collections	Increase (Decrease) Over 1998 Base	Increase (Decrease) Over Previous Year
2007	\$18,521,838,590	12.76%	3.13%	\$485,638,096	36.76%	2.93%
2006	17,959,207,000	9.34%	7.70%	471,825,678	32.87%	4.11%
2005	16,675,407,614	1.52%	8.37%	453,186,261	27.62%	2.93%
2004	15,386,869,645	-6.32%	5.29%	440,296,225	23.99%	5.77%
2003	14,614,024,833	-11.03%	0.39%	416,276,770	17.22%	3.02%
2002	14,556,855,876	-11.38%	-1.24%	404,076,403	13.79%	3.15%
2001	14,739,023,333	-10.27%	-4.07%	391,729,803	10.31%	1.47%
2000	15,364,680,548	-6.46%	-12.71%	386,036,974	8.71%	2.50%
1999	17,601,337,162	7.16%	7.16%	376,628,417	6.06%	6.06%
1998	16,425,392,804			355,112,029		



Note: Gross Sales and Sales Tax Collection amounts listed above are subject to change as the Kansas Department of Revenue tests the accuracy of these numbers supplied by new software.

Source: Kansas Department of Revenue
State Planning & Research

Johnson County, Kansas
Payroll By Industry
and
Tax Rates for Selected Kansas Counties
December 31, 2007

Payroll By Industry

Type of Industry	Number of Employees	Number of Firms	Gross Payroll
Manufacturing and Mining	20,409	529	\$ 919,311,000
Utilities	512	10	32,472,000
Contract Construction	14,973	1,786	721,066,000
Transportation and Warehousing	11,362	326	334,984,000
Wholesale Trade	18,035	1,403	979,926,000
Retail Trade	36,943	1,954	823,029,000
Finance, Insurance and Real Estate	29,681	2,595	1,662,507,000
Information	22,490	472	1,674,213,000
Professional, Scientific and Technical Services	26,159	2,643	1,419,568,000
Management and Administrative Support Services	35,493	1,234	1,481,092,000
Social Assistance and Educational Services	32,185	1,661	1,257,874,000
Accommodation and Food Services	24,281	998	316,844,000
Other Services	11,928	1,232	253,048,000
Agricultural Support	10	5	173,000
Arts, Entertainment and Recreation	4,449	244	70,875,000
Other	65	38	793,000
Total	<u>288,975</u>	<u>17,130</u>	<u>\$ 11,947,775,000</u>

Source: U.S. Census Bureau

Excludes government employees and self-employed individuals.

2007 Tax Rates for Selected Kansas Counties (1)

Lowest Tax Rates			Highest Tax Rates		
Rank	County Name	Tax Rate *	Rank	County Name	Tax Rate *
1	Johnson	17.985	96	Republic	86.000
2	Pottawatomie	22.217	97	Woodson	87.826
3	Seward	25.093	98	Rush	87.894
4	Haskell	25.519	99	Greeley	90.732
5	Saline	27.435	100	Elk	90.842
6	Harvey	27.895	101	Lincoln	92.282
7	Leavenworth	28.121	102	Wichita	101.685
8	McPherson	28.587	103	Jewell	102.020
9	Douglas	29.995	104	Hodgeman	102.341
10	Unified Government	30.539	105	Smith	105.764

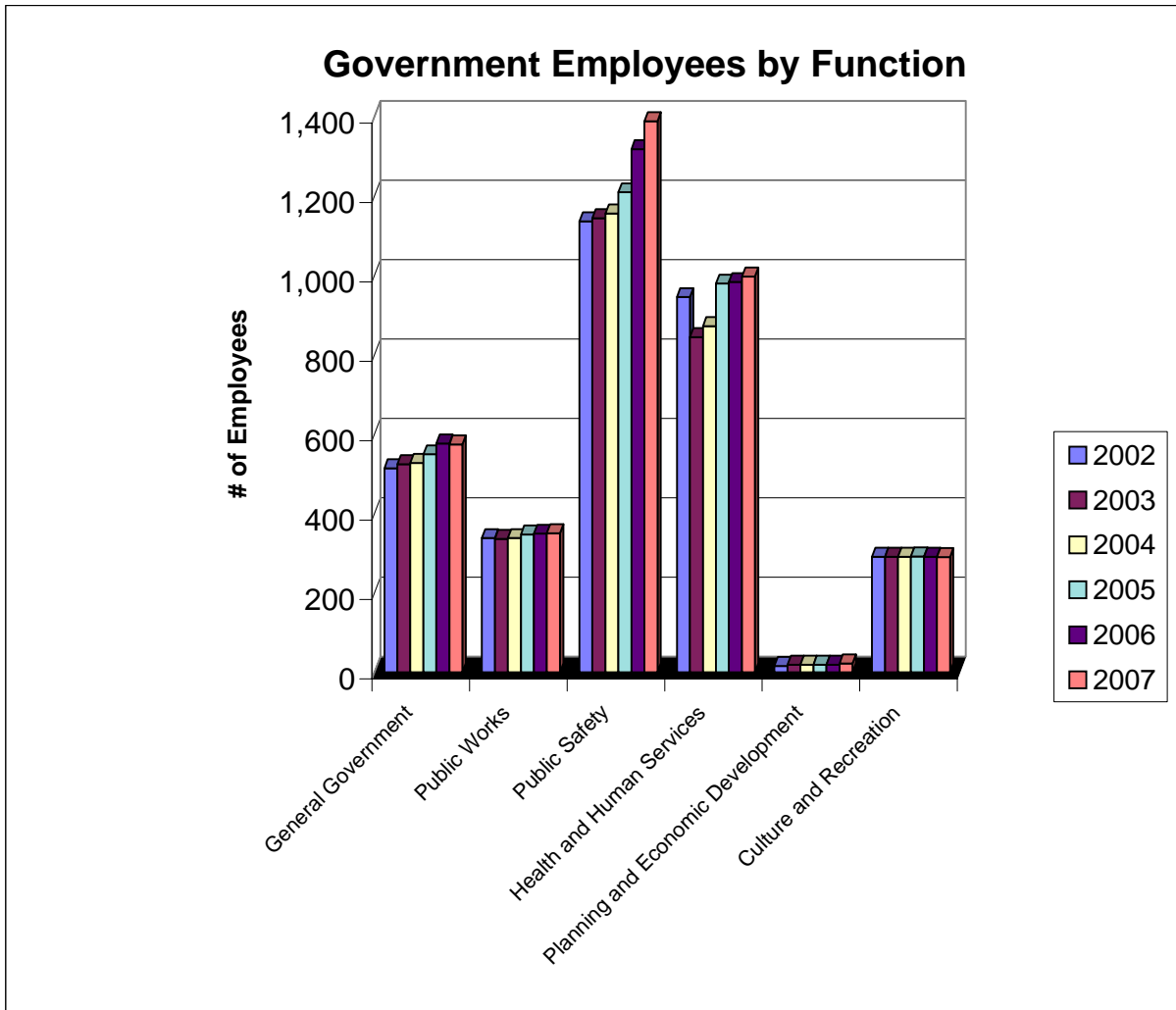
Source: League of Kansas Municipalities

* Per \$1,000 assessed valuation

(1) Taxes levied in 2007 are due December 20, 2007; but may be paid 50% by December 20, 2007 and 50% by June 20, 2008.

Johnson County, Kansas
Full-time Equivalent County Government Employees by Function
Last Six Fiscal Years (1)
December 31, 2007

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government	514	524	527	549	576	574
Public Works	338	336	338	347	349	350
Public Safety	1,136	1,144	1,156	1,209	1,318	1,388
Health and Human Services	945	844	872	979	983	997
Planning and Economic Development	16	19	19	19	19	22
Culture and Recreation	291	291	291	292	291	290
Total	<u>3,240</u>	<u>3,158</u>	<u>3,203</u>	<u>3,395</u>	<u>3,536</u>	<u>3,621</u>

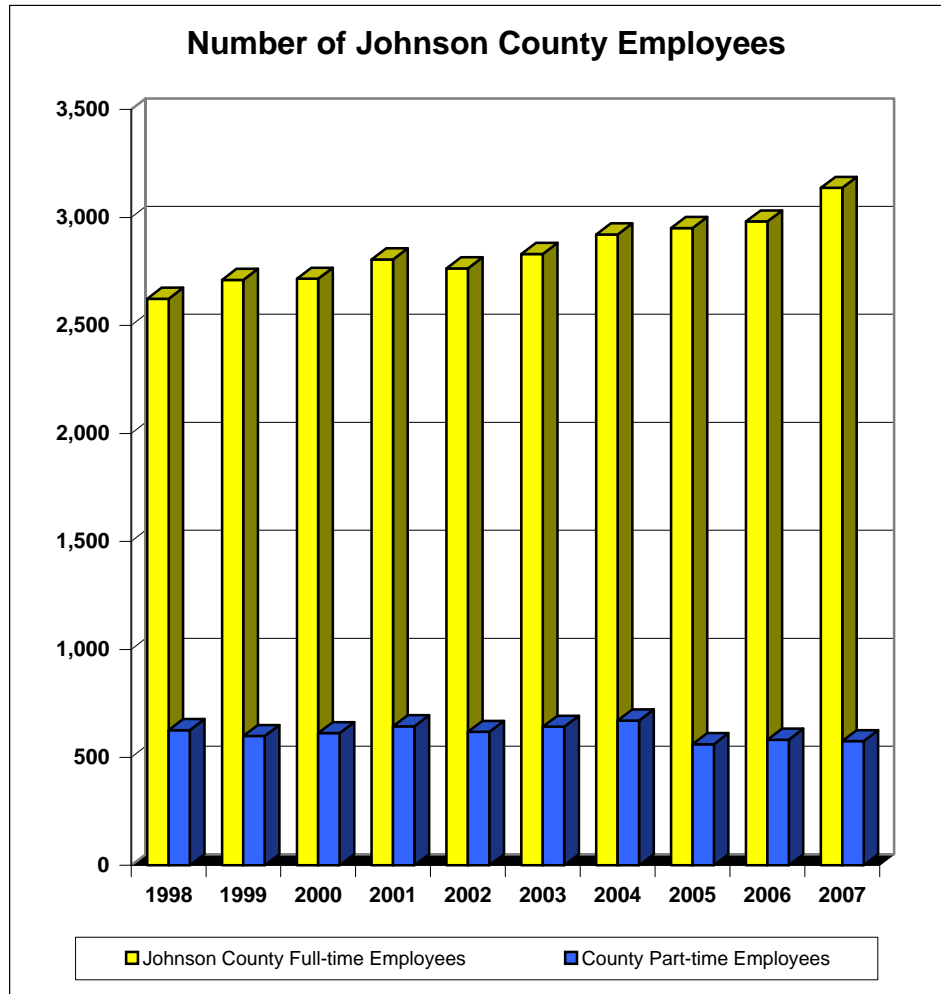


Source: County Budget Department

(1) As a result of the first year of implementation of GASB 34 in 2002, only six years of information is available.

Johnson County, Kansas
Number of Employees
Last Ten Fiscal Years
December 31, 2007

<u>Year</u>	<u>Number of Johnson County Full-time Employees</u>	<u>Number of Johnson County Part-time Employees</u>
2007	3,137	575
2006	2,981	582
2005	2,951	561
2004	2,921	671
2003	2,831	642
2002	2,764	618
2001	2,806	644
2000	2,716	612
1999	2,711	599
1998	2,623	626



Source: Johnson County Payroll System.

Johnson County, Kansas
County Road System
and
Unified Wastewater District Statistics
December 31, 2007

County Road System

<u>Pavement</u>		<u>Area</u>
Hard surface	275 miles	212 square miles
Gravel surface	<u>237 miles</u>	
Total miles:	<u><u>512 miles</u></u>	

Source: Johnson County Public Works

Unified Wastewater District

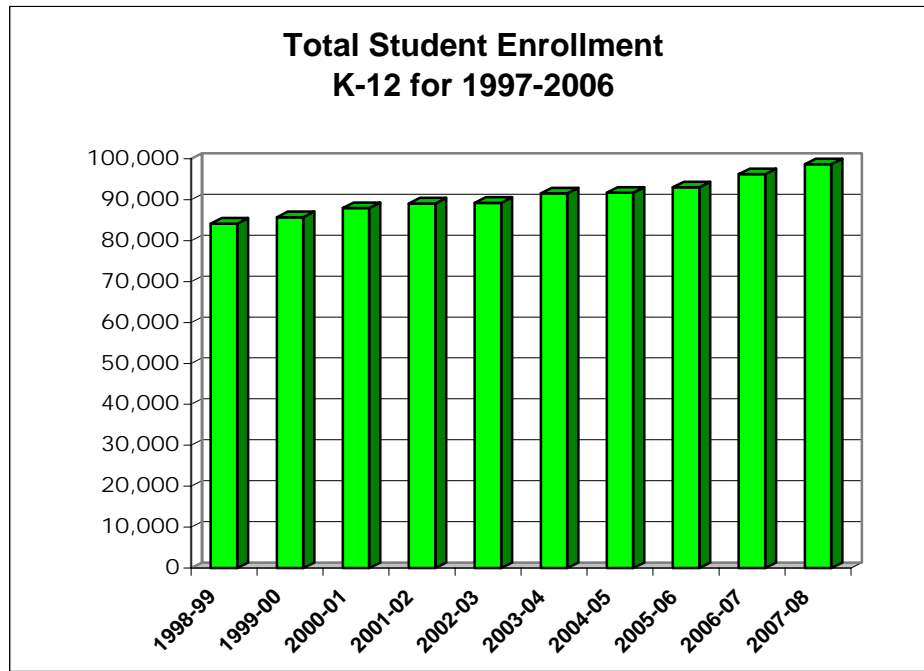
<u>Sewer District</u>	<u>Footage of Sewer Line</u>		<u>Sewer Permits</u>	
	<u>Added in</u>	<u>Total</u>	<u>Issued in</u>	<u>Total</u>
	<u>2007</u>		<u>2007</u>	
Blue River	55,263	1,143,194	475	12,200
Blue River #4 Lagoon	-	7,537	-	57
Indian Creek Middle Basin	3,774	866,710	48	11,034
Kansas City, Missouri	-	688,585	29	1,263
Little Bull Creek Lagoon	-	-	-	-
Mill Creek Regional	83,467	2,653,941	489	18,218
Mission Main	268	1,512,341	34	18,580
New Century	6,399	70,320	40	356
Tomahawk	37,343	2,910,361	180	35,492
Turkey Creek	281	1,246,944	35	16,751
TOTAL	<u>186,795</u>	<u>11,099,933</u>	<u>1,330</u>	<u>113,951</u>

Source: Johnson County Unified Wastewater District

Johnson County, Kansas
Student Enrollment
and
School Facilities

December 31, 2007

School Year	Public School Enrollment	Non-Public School Enrollment	Total School Enrollment	Changes from Prior Year
2007-08	84,688	11,391	98,669	2.50%
2006-07	84,688	11,575	96,263	3.44%
2005-06	81,599	11,460	93,059	1.49%
2004-05	80,244	11,449	91,693	0.15%
2003-04	80,359	11,193	91,552	2.57%
2002-03	78,303	10,959	89,262	0.18%
2001-02	77,483	11,621	89,104	1.28%
2000-01	75,379	12,599	87,978	2.61%
1999-00	75,274	10,463	85,737	1.85%
1998-99	73,300	10,882	84,182	



Number of Schools and Fall 2007 Enrollment

	Number of Schools	Enrollment
Elementary Schools - Public	102	43,993
Kindergarten - Eighth Non-Public	24	8,714
Junior High and Middle Schools - Public	31	17,807
High Schools - Public	18	25,478
High Schools - Non-Public	8	2,677
Colleges	9	27,323
TOTAL	192	125,992

Source: Johnson County Economic Research Institute

Johnson County, Kansas
Summary of Insurance in Force
December 31, 2007

Company	Term		Coverage	Liability
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Mobile Construction Equipment and Radio Equipment	\$ 14,314,489
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	EDP Equipment incld Telephone Equipment	26,359,610
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Voting Machines	4,712,250
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Emergency Equipment	4,404,801
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Fine Art - Museum	971,718
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Real & Personal Property	508,531,657
Factory Mutual Ins. Co.	1/1/2007	1/1/2008	Boiler & Machinery	Included
Columbia Casualty Co.	1/1/2007	1/1/2008	Law Enforcement Professional Liability – Sheriff's Operations (1)	1,000,000
Columbia Casualty Co.	1/1/2007	1/1/2008	Law Enforcement Professional Liability – Sheriff's Operations (2)	2,000,000
Columbia Casualty Co.	4/12/2007	4/12/2008	Premises & Professional Liability - Community Corrections Adult Services (1)	500,000
Columbia Casualty Co.	4/12/2007	4/12/2008	Premises & Professional Liability - Community Corrections Adult Services (2)	1,000,000
Columbia Casualty Co.	7/1/2007	7/1/2008	Premises & Professional Liability–Community Corrections Juvenile Services (1)	1,000,000
Columbia Casualty Co.	7/1/2007	7/1/2008	Premises & Professional Liability–Community Corrections Juvenile Services (2)	2,000,000
Self-Insured	1/1/2007	1/1/2008	Workers' Compensation & Employers Liability (4)	350,000
Safety National	1/1/2007	1/1/2008	Workers' Compensation Specific Excess - \$350,000 Retention	Statutory Limit
Safety National	1/1/2007	1/1/2008	Employers' Liability (4)	500,000
Hartford	10/10/2007	10/10/2008	Public Official Bond - County Treasurer	1,750,000
Hartford	8/1/2007	8/1/2008	Public Official Bond - Health Officer	500
Hartford	1/14/2007	1/14/2008	Public Official Bond – Mental Health Board Treasurer	10,000
Hartford	8/29/2007	8/29/2008	Public Official Bond - County Engineer	2,500
Hartford	1/1/2007	1/1/2008	Public Employees Blanket Bond & Faithful Performance Bond (1)	1,750,000
Hartford	1/1/2007	1/1/2008	Theft Disappearance and Destruction (1)	1,750,000
Federal Ins. Co.	1/1/2007	1/1/2008	Fiduciary Liability (1)	1,000,000
Granite State Ins.	1/1/2007	1/1/2008	Premises & Professional Liability - JCDS (1)	1,000,000
Granite State Ins.	1/1/2007	1/1/2008	Premises & Professional Liability – JCDS (2)	3,000,000
Lexington Ins.	1/1/2007	1/1/2008	Premises & Professional Liability - Adolescent Center for Treatment (1)	1,000,000
Lexington Ins.	1/1/2007	1/1/2008	Premises & Professional Liability - Adolescent Center for Treatment (2)	3,000,000
Old Republic	1/1/2007	1/1/2008	Airport Liability (1) (2)	10,000,000
Genesis Ins. Co.	1/1/2007	1/1/2008	Excess Automobile Liability - Self-Insured Retention: \$350,000 (3) (4)	500,000
Genesis Ins. Co.	1/1/2007	1/1/2008	Excess General Liability - Self-Insured Retention: \$350,000 (1) (3)	500,000
Genesis Ins. Co.	1/1/2007	1/1/2008	Excess General Liability - Self-Insured Retention: \$350,000 (2)	1,000,000
Genesis Ins. Co.	1/1/2007	1/1/2008	Public Officials E&O–Employment Practices Liability Self-insured Retention: \$350,000 (1)	1,000,000
Genesis Ins. Co.	1/1/2007	1/1/2008	Public Officials E&O–Employment Practices Liability Self-insured Retention: \$350,000 (2)	2,000,000
Continental Casualty Co.	1/1/2007	1/1/2008	Professional Liability - Mental Health (1)	1,000,000
Continental Casualty Co.	1/1/2007	1/1/2008	Professional Liability - Mental Health (2)	3,000,000
Lexington Ins. Co.	1/1/2007	1/1/2008	Professional Liability - Public Health (1)	1,000,000
Lexington Ins. Co.	1/1/2007	1/1/2008	Professional Liability - Public Health (2)	3,000,000
Steadfast Ins.	1/1/2007	1/1/2008	Switch Engine Physical Damage	235,000
Steadfast Ins.	1/1/2007	1/1/2008	Switch Engine Liability (1)	1,000,000
Steadfast Ins.	1/1/2007	1/1/2008	Switch Engine Liability (2)	3,000,000
American Safety Risk	4/12/2007	4/12/2008	Contractor's Pollution Liability – Weatherization Program (1) (2)	500,000
Tudor Insurance	3/1/2007	3/1/2008	Professional Liability - Library	1,000,000
Employers of Wausau	7/1/2007	7/1/2008	Student Volunteer Personal Liability	1,000,000
Life Ins. of N.A.	7/1/2007	7/1/2008	Student Volunteer Accident Insurance	25,000

(1) per occurrence, (2) aggregate, (3) combined single limit and (4) each accident

Source: Johnson County Risk Management